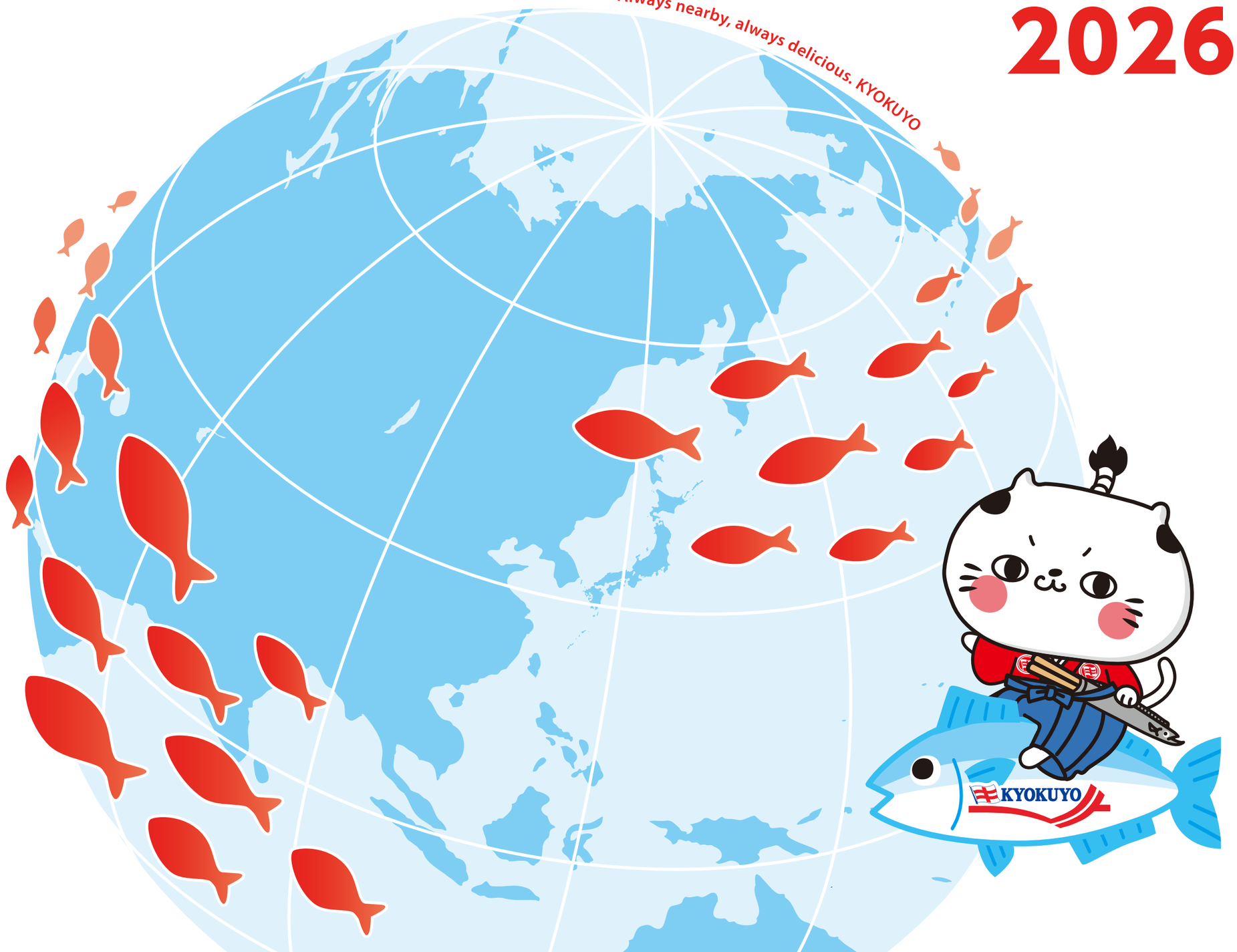
Kyokuyo Co., Ltd.
3-3-5, Akasaka, Minato-ku,
Tokyo, 107-0052, Japan

Kyokuyo Group Integrated Report 2026



Profile

Always nearby, always delicious. KYOKUYO

The Kyokuyo Group was founded as a fisheries company and has since developed its businesses with a focus on fish.
As marine products experts connecting the ocean to the dining table, we enhance the value of the bounty of the ocean through our five businesses: Marine Products, Freshfoods, Processed Food, Processed Marine Products, and Logistics.

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

As we carry this vision forward, we will continue to create new value for society by balancing the sustainable use of marine resources with business growth and taking on new challenges.

Corporate Philosophy

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

Kyokuyo Group Corporate Action Charter

Everyone at the Kyokuyo Group, from top management to each and every employee, acts in accordance with our Corporate Action Charter, based on our Corporate Philosophy.

1. As a comprehensive food manufacturing group that contributes to society, we provide products and services with safety and security in order to earn the trust of our consumers and customers.
2. We comply with the law, engage in fair, transparent, and free competition, and maintain healthy and normal relationships with government and administration.
3. In addition to our consumers, customers, and shareholders, we widely communicate with society and actively disclose corporate information in a fair manner.
4. We recognize that tackling environmental problems is essential for the survival of our company and its business, and voluntarily and actively act to do so.
5. We strive to maintain an environment where it is easy to work.
6. We act as a member of the international community, and strive to contribute to the development of related regions.

Information Disclosure Framework

	Financial Information		Non-Financial Information
Reports	● Summary of Financial Results	● Kyokuyo Group Integrated Report 2026 ● Annual Securities Report (Japanese Links) ● BUSINESS REPORT ● Corporate Profile ● Corporate Governance	● Kyokuyo Group Sustainability Databook
Website	● IR Information		● Sustainability Information
Dialogue		● IR Presentations ● General Meeting of Shareholders	

Editorial Policy

The Kyokuyo Group positions this Integrated Report as an important communication tool for deepening mutual understanding with shareholders, investors, and other stakeholders.
In the 2026 edition, we focus on the following three key points:
1. Our approach as "Kyokuyo—the fish experts"
2. Our efforts to enhance corporate value through growth strategies that leverage our strengths
3. Proactive initiatives to address social issues through sustainability-conscious management

Specifically, the report covers business strategies that proactively advance overseas expansion under the policy of "produce overseas, sell overseas"; financial strategies that support those business strategies, including proper inventory management; human capital strategies, including securing the human resources needed to support the expansion strategy, "creating a workplace environment where employees can work cheerfully and with dedication" to enhance employee engagement, and improving employee compensation; and "Initiatives to Pass on a Healthy Ocean Environment to Future Generations," including "responsible procurement."
We hope this report helps you gain a deeper understanding of the Kyokuyo Group's philosophy and initiatives.

Period * Some information from before and after the targeted period is included.
FY2025 (from April 1, 2025 to March 31, 2026)

Scope
In principle, the report covers the Kyokuyo Group Companies in Japan.

Publication Date
October 2026

Publisher
Kyokuyo Co., Ltd.
Sustainability Section,
Stakeholder Relations Department,
Corporate Administration Division

Reference Guidelines

- International Integrated Reporting Framework, International Integrated Reporting Council (IIRC)
- Guidance for Collaborative Value Creation, Ministry of Economy, Trade and Industry
- Sustainability Reporting Standards, Global Reporting Initiative (GRI)

Forward-looking Statements

Forward-looking statements, including forecasts, goals, and plans included in this report, are based on judgments made at the time this document was produced. Actual results may differ from these statements due to various factors such as changes in the future business environment.

About the Cover Design

The cover design features "Dandori-Nya," Kyokuyo's official mascot character.



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"Kyokuyo—the fish experts" Further strengthening and expanding with marine products as our foundation

Kyokuyo Co., Ltd.
President and Representative Director
Makoto Inoue

1. The Group's Mission in Society

Since its founding in 1937, the Kyokuyo Group has contributed to the stable supply of food centered on seafood through a succession of challenges and transformations in response to changing times, including overseas procurement, canned food production, and overseas purse seine fishing.

The global environment and social structures surrounding the Group continue to change significantly. The challenges we must overcome, including changes in the marine environment caused by climate change, declining natural resources, and food security challenges associated with population growth, are more complex than ever. It is precisely in these uncertain times that we bear a great responsibility to pass on the rich "bounty of the ocean" to future generations. Building on the procurement and technological capabilities we have developed over the years, we need to secure sustainable marine resources and build an environmentally conscious supply chain; doing so is the very embodiment of the Group's corporate purpose, "Contributing to people's lives and the planet through foods with a focus on fish, for a more sustainable world."

We view these changes as an opportunity to evolve further. We will create both social and economic value through initiatives such as using AI technologies to improve aquaculture productivity and strengthening the development of products that make it easy to enjoy delicious fish. As "Kyokuyo—the fish experts," we will continue to take on new challenges toward realizing a future in which people around the world can enjoy delicious food with peace of mind.

2. Review of Performance through the Previous Fiscal Year and Key Issues

- **For the second consecutive year, net sales exceeded 300 billion yen, while operating profit and ordinary profit surpassed 10 billion yen**
- **Organizational restructuring**
- **Key issue: overseas business**

Amid a challenging business environment marked by growing geopolitical risks and surging raw material prices, the Kyokuyo Group has worked to build a robust management foundation and transform its business structure to achieve sustainable growth.

Looking back at our performance through the previous fiscal year, stronger collaboration with business partners and increased sales in Japan, among other factors, enabled us to achieve net sales of over 300 billion yen and operating profit and ordinary profit of over 10 billion yen for the second consecutive year. This demonstrates that our domestic operations have established solid competitiveness and entered a phase of generating stable earnings.

To make the earnings base we have built a driving force for our next stage of growth, we carried out organizational restructuring. First, we established the Processed Marine Products Division to create a new earnings pillar. Previously, separate departments sold the "Dandori Jozu" series of boneless fillet products and fillet products for specific price points, but by bringing this broad lineup under a single division, we will improve efficiency and respond swiftly and flexibly to increasingly diverse market needs. Next, amid significant changes in society, we established the Corporate Administration Division, which oversees functions including human resources, accounting, and corporate planning, to strengthen coordination across administrative departments. We also established the Supply Chain Management Division, which oversees quality management, plant management, R&D, logistics, and other functions, to streamline and enhance production and logistics processes across the Group. With a division head assigned to each, we are confident that this structure will provide a robust foundation for improving management efficiency across the Group through rigorous risk management, stronger financial soundness, further advancement of digital transformation (DX), and other initiatives.

While strengthening our management foundation in Japan, we regard the overseas business as our most important priority for further accelerating sustainable growth. In exports, sales increased for scallop products processed in Japan for overseas markets, as well as mackerel and sardines for processing and feed applications, while in our overseas operations, sales of sushi toppings and other products in Thailand remained strong. However, despite accounting for a larger share of net sales, our overseas business as a whole faced challenges in terms of profitability due to lower capacity utilization at processing plants in Europe caused by raw material shortages, as well as upfront costs associated with the startup of new plants in the U.S. and Vietnam. Accordingly, we have appointed executives to oversee North America, Southeast Asia, and Europe, respectively, and will further strengthen our overseas business to secure profits commensurate with our investments.

3. Medium- to Long-Term Vision

(1) Business Growth Strategy

- **Further expanding market share in Japan**
- **Accelerating overseas expansion**
- **Promoting aquaculture**
- **Expanding logistics capabilities**

To enhance corporate value over the medium to long term, we will continue to advance our growth strategy.

<Further Expanding Market Share in Japan>

We will further strengthen our core domestic sales. As a marine products company, we will strengthen our market intelligence and proposal capabilities and aim for top-tier handling volumes in major fish species. We will also strengthen collaboration with customers, including by expanding two-way transactions, while securing stable sources of seafood, thereby establishing a solid market share and high profitability in Japan.

<Accelerating Overseas Expansion>

We position our overseas business as a key engine of our growth strategy. We will reorganize our export business and integrate purchasing, sales, and inventory management for domestic and overseas markets within each business department in Japan, thereby strengthening our procurement and supply capabilities. As we expand our production and sales bases in North America, Southeast Asia, and Europe, we will strengthen coordination between local subsidiaries and the head office.

Under our policy of "produce overseas, sell overseas," we will further develop products tailored to overseas markets and open up new sales channels, including to improve plant utilization, thereby accelerating our overseas expansion.

<Promoting Aquaculture>

We will promote aquaculture to address risks such as changes in the marine environment and tighter fisheries regulations and to establish a sustainable supply system. We will consider investments in AI-powered smart aquaculture and promote appropriate farming methods based on data analysis, enabling early detection of disease. We will also research feed incorporating alternative proteins derived from plants or produced through fermentation technologies, thereby reducing our dependence on fishmeal and fish oil. Through these initiatives, we will reduce the burden on marine ecosystems while balancing production costs with nutritional value.

<Expanding Logistics Capabilities>

To support our strategies for procuring, manufacturing and processing, and selling our products, as well as our expanding overseas business, we will strengthen logistics networks extending from Group plants and suppliers in Japan and overseas through import/export, storage, transport, and delivery. We will also use AI and IoT technologies to visualize and analyze logistics challenges caused by labor shortages and optimize each process, while improving storage, transport, and delivery efficiency to promote resource efficiency and reduce environmental impact.

By steadily executing these growth strategies, we will establish a strong earnings base and high cash-generating capacity.

(2) Financial Strategy and Human Capital Strategy

- **Focus on cash flow**
- **Further improving human resources and compensation policies**

<Focus on Cash Flow>

We recognize the shift to cash flow-focused management as a key priority for balancing medium- to long-term growth investments with improved financial soundness. Although free cash flow has yet to turn positive due in part to the burden of upfront investments in our overseas business, we have begun improving profitability and asset efficiency. Through our pursuit of greater profitability and efficiency, we will increase ROE (return on equity), a measure of capital efficiency, over the medium to long term. Specifically, to improve operating cash flow, I instructed department heads and presidents of Group companies at budget meetings to tighten inventory management further. We will vigorously reduce working capital and, together with disciplined investment controls, ensure reliable cash generation.

<Further Improving Human Resources and Compensation Policies>

We regard our people as our most important management resource and will advance a human capital strategy aimed at sustainable value creation. To foster employee engagement and attract and retain talented people, we will continue to raise employee compensation levels as earnings grow, while creating an environment where people from diverse backgrounds can perform to their full potential, including by building a bright and vibrant workplace. With regard to shareholder dividends, we will continue to pay a steady dividend while aiming to raise dividend levels through profit growth. Based on these considerations, we will allocate profits generated through our business activities in a balanced manner among improved employee compensation, investments for sustainable growth, and shareholder returns. In this way, we aim to establish a virtuous cycle in which investment in our people generates further profits, leading to sustainable enhancement of corporate value.

(3) Advancing Governance

We are working to strengthen corporate governance and establish a sound management system. To encourage objective and active discussion at Board of Directors meetings, we call on outside directors to express their views proactively, while seeking to build an effective oversight system through fair and impartial monitoring of business execution by outside directors. We are also advancing initiatives to further enhance governance, including establishing a framework in which outside directors with diverse backgrounds provide appropriate advice based on their specialized expertise in areas such as AI and sustainability.

(4) "Fish" Sustainability

The Kyokuyo Group has grown on the foundation of handling seafood, the "bounty of nature." However, the global environmental changes we face and rising worldwide demand for seafood driven by population growth and economic development are increasing the risk of marine resource depletion, raising concerns that we may not remain viable if we continue with our conventional business model. In this environment, we recognize as a key issue that ensuring "fish" sustainability, in other words, managing marine resources, is directly linked to the sustainability of the Group.

The Group's mission is to ensure the long-term use of marine resources, the "bounty of the ocean," and to realize our corporate philosophy of "aiming to grow together with society, contributing to food culture." To fulfill this social responsibility, we will continue working to ensure traceability throughout the supply chain and procure sustainable seafood certified under international seafood certification schemes. Protecting resource sustainability is nothing less than an investment in the future that underpins the Group's long-term competitiveness and its ability to maintain a stable supply in the years ahead. Moreover, conserving ecosystems requires not only managing the resources themselves but also reducing environmental impact, including through our ongoing efforts to address the problem of ocean plastic waste.

Going forward, we will continue our dual approach of resource management and environmental impact reduction and contribute to realizing a sustainable society where the richness of the oceans and rich diets for people coexist.

4. Toward Further Growth

The Kyokuyo Group will pursue a growth strategy built on two pillars: further strengthening domestic sales and global expansion. In particular, creating new value in overseas markets where diverse cultures coexist requires a foundation on which diverse human resources can flourish, regardless of nationality, gender, or career background.

In addition to this diversity, looking at both the present and the future, generative AI will be a powerful engine for maximizing the Group's potential. In a future where generative AI can instantly perform advanced data analysis and facilitate multilingual communication, the "language barrier" and "time barrier" will virtually disappear. The Group's diverse human resources will be able to focus on "strategic thinking and creating innovation that only humans can achieve." By embracing advances in generative AI and optimizing the entire supply chain, we are confident that we will evolve into a resilient and agile global company capable of responding flexibly to a wide range of risks.

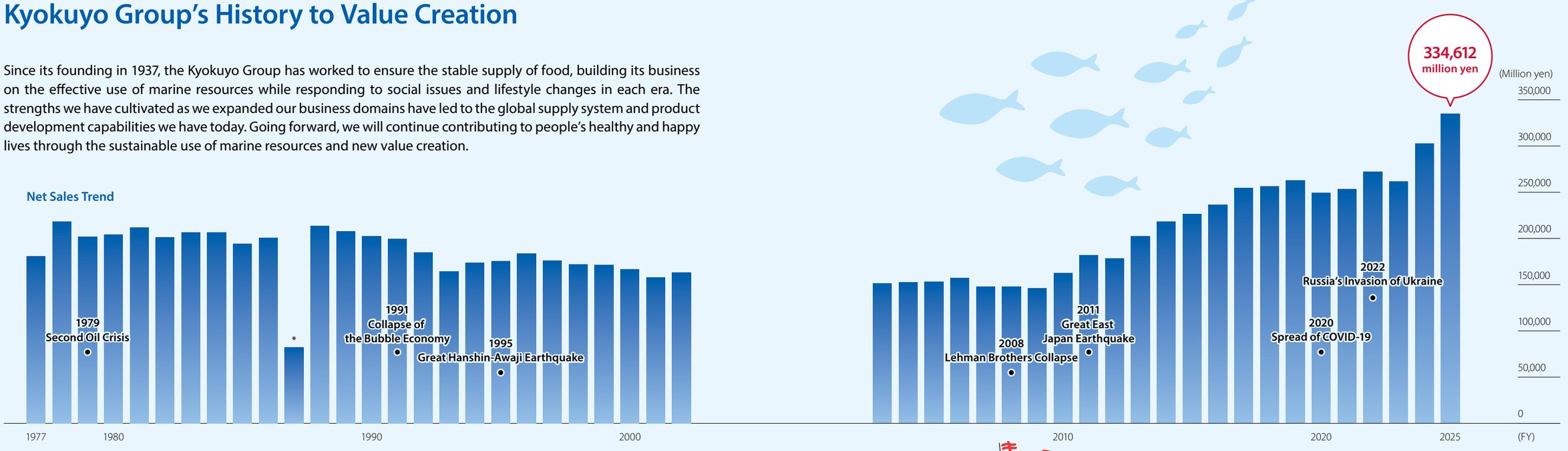
Evolution never ends. We are always looking ahead to what comes next. Keeping the words "maintaining the status quo amounts to going backwards" firmly in mind, we will continue challenging ourselves to enhance corporate value. We sincerely appreciate the continued support of our shareholders, investors, and other stakeholders.



Kyokuyo Group's History to Value Creation

Since its founding in 1937, the Kyokuyo Group has worked to ensure the stable supply of food, building its business on the effective use of marine resources while responding to social issues and lifestyle changes in each era. The strengths we have cultivated as we expanded our business domains have led to the global supply system and product development capabilities we have today. Going forward, we will continue contributing to people's healthy and happy lives through the sustainable use of marine resources and new value creation.

Net Sales Trend



* FY1987 covers a five-month period due to a change in the fiscal year-end (from October to March).

1937-1950s
Founding and Origins

Strengths That Endure Today

Access to Marine Resources

In its early years, the Company launched fisheries operations, including whaling and trawl net fishing, to secure valuable sources of protein. In the postwar period, amid severe food shortages, the Company began producing canned seafood and expanded into the food processing business. Responding to society's needs, the Company built a solid business foundation supporting a stable supply of food.



Canned food production at the Shiogama Plant

1960s-1970s
Diversifying Procurement and Launching the Processed and Frozen Food Business

Strengths That Endure Today

Foundation for a Global Procurement Network and Processing Technologies

The Company launched overseas purse seine fishing and other operations to diversify its fisheries business, while stepping up both its procurement of marine products from overseas and its overseas expansion. The Company also began producing frozen foods and made a full-scale entry into the Processed and Frozen Food Business, responding to diversifying diets and demand for convenience.
Through these initiatives, the Company built a solid foundation for today's global procurement network and Processed and Frozen Food Business.



Salmon roe processing in Alaska

1980s-1990s
Evolution of Product Development Capabilities

Strengths That Endure Today

Product Development Capabilities and Processing Technologies

Following the introduction of the 200-nautical-mile exclusive economic zone, the Company further expanded its Processed and Frozen Food Business.
The Company developed and sold added-value products such as Ocean King (imitation crab meat) and salted salmon fillets, leveraging its proprietary processing technologies to respond to lifestyle changes and the expansion of the ready-made meal market. By strengthening its R&D and processing systems, the Company laid the foundation for the product development capabilities and processing technologies it has today.



Began production and sales of Ocean King (imitation crab meat)

2000s-2010s
Strengthening Overseas Bases and Providing Food Solutions Tailored to the Needs of Food Service Kitchens

Strengths That Endure Today

Overseas Production and Sales Network and Added-Value Product Development

Amid prolonged deflation, the Company strengthened overseas production bases in China and Southeast Asia and established a sales base in Europe, expanding its global supply and sales network.
We also launched highly convenient products, including the "Dandori Jozu" series, to address social issues such as labor shortages and the need to reduce food preparation workloads at medical, nursing care, and welfare facilities.



Began the sales of the "Dandori Jozu" series of frozen food products

▶P.49

2020s to Today
Proactive Approach to Growth Markets and Strengthening the Global Supply and Sales Network

Strengths That Endure Today

Global Supply and Sales Network Supporting Sustainable Growth

In Japan, the Group strengthened production sites to expand its retail frozen food business, enhancing production capacity and improving logistics efficiency. Overseas, the Group has expanded production and sales sites in Vietnam, the U.S., and Europe and is strengthening its global supply network as "Kyokuyo—the fish experts" under the "produce overseas, sell overseas" policy. By combining the strengths cultivated to date, the Group aims to achieve sustainable growth in overseas markets.



Established Ocean's Kitchen Corporation in the U.S. to undertake the manufacturing and sale of imitation crab meat for the U.S. market



Completed construction of the Kurayoshi Plant of Kyokuyo-Shokuhin Co., Ltd. in Tottori Prefecture (frozen food production)

Kyokuyo Group's Value Creation Process

The Kyokuyo Group has set a corporate purpose of "Contributing to people's lives and the planet through foods with a focus on fish, for a more sustainable world." In line with "Gear Up Kyokuyo 2027," our Medium-Term Business Plan, the Group aims to further strengthen and expand, contribute toward the realization of a sustainable society, and increase corporate value.

Purpose

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

Recognition of the Business Environment (Risks and Opportunities) ▶P.13-14

5 Key Issues (Materiality) ▶P.13-14

- Further expanding the overseas business and processed food business
- Accelerating the expansion of production locations and sales locations
- Strengthening our financial base
- Strengthening access to resources
- Responding to climate change and other environmental issues

Input

Financial capital
Equity:
77,336 million yen
Interest-bearing debt:
92,992 million yen

Human capital
No. of consolidated employees:
2,542
No. of overseas employees:
820
Average annual salary:
9,268,717 yen ▶P.46
(or Sustainability Databook P.7)

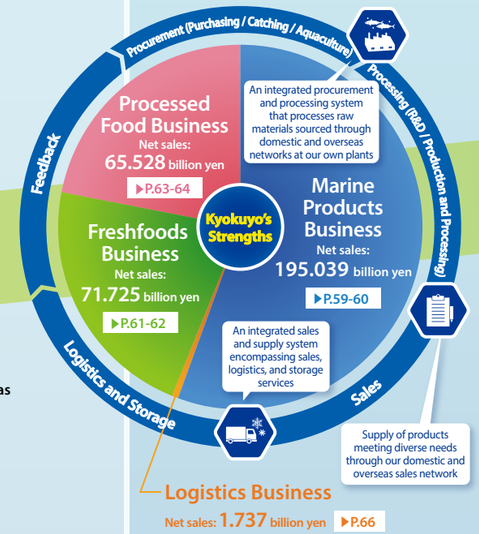
Intellectual capital
Laboratory R&D expenses:
354 million yen

Natural capital
Sustainable natural marine resources' share of total procurement:
85% ▶P.37
Procuring marine resources (both wild and farmed) from **44** countries around the world

Manufacturing capital
Capital investment:
3,009 million yen
(of which 1,192 million yen is overseas)
Manufacturing sites:
21 locations
(of which 6 are overseas)
Cold-storage capacity:
52,655 t
Overseas purse seiners:
4 vessels
Aquaculture farms:
3 locations

Social and related capital
Partnerships with domestic and overseas business partners built over many years

Value Creation Business Model



Foundations Supporting Value Creation

- Sustainability ▶P.24
- Approach to Stakeholders ▶P.21-22
- Corporate Governance ▶P.25-28
- Accelerating Digital Transformation (DX) ▶P.23
- Risk Management ▶P.29
- Compliance ▶P.30

Feedback into the resolution of key issues (Materiality)

Medium-Term Business Plan
(Fiscal year ending March 2027 target value)
"Gear Up Kyokuyo 2027" ▶P.15-18

Our Value Creation Strategy

Strengthen and expand

Three perspectives
- 01 Human resources and organization
- 02 Four businesses*
- 03 Globalization

* Marine Products Business, Freshfoods Business, Processed Food Business, Overseas Business

Policies
- Expanding our business base
- Strengthening our financial base
- Strengthening our partnerships with stakeholders

Kyokuyo Missions
- Providing healthy, safe, and secure fish and other 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

Output ▶P.15-18

Net sales:
400 billion yen

Operating profit:
13.5 billion yen

Ordinary profit:
13.5 billion yen

Overseas net sales ratio:
15% or more

ROIC (return on invested capital):
6% or more

DOE (dividend on equity ratio):
3% or more

Outcomes

- Contributing to a healthy and happy lifestyle and food culture
- Creating a workplace environment that respects human rights and emphasizes diversity
- Contributing to the realization of a sustainable society
- Stably delivering the rich bounty of the ocean to dining tables

For a strong Kyokuyo

Feedback into strengthening the foundations that support capital and value creation

Business Development

As "Kyokuyo—the fish experts," the Kyokuyo Group has smoothly integrated operations covering procurement (purchasing / catching / aquaculture), processing (R&D, production and processing), and sales, logistics and storage. As marine products experts, we utilize the domestic and overseas networks that we have built up over a period of many years to deliver the bounty of the ocean to our customers.

	Marine Products Business	Freshfoods Business	Processed Food Business	Logistics Business	Overview	Strengths	Issues
Procurement	Purchasing Catching Aquaculture				● Purchasing: Stable procurement of seafood through domestic and overseas networks ● Catching: Skipjack tuna in the western and central Pacific Ocean using our own overseas purse seiners ● Aquaculture: Offshore farming of bluefin tuna, and fully farm-raised red sea bream and burihira® (a yellowtail-goldstriped amberjack crossbreed species)	● Procurement of seafood by leveraging the relationships of trust we have built with our suppliers both in and outside Japan (Fish species with high market share: salmon, shrimp, mackerel, crab, etc.) ▶P.59-60 ● Flexible response to customer needs through a closely integrated framework within the Kyokuyo Group covering procurement, processing, and sales ▶P.61-62 ● Labor-saving through AI utilization and aquaculture practices that consider the surrounding marine environment and ecosystems, including reduced antibiotic use	● Ensuring a stable supply of seafood by strengthening access to resources ● Realization of sustainable procurement of wild-caught seafood by strengthening traceability ● Stabilizing earnings in the "purse seine fishing business," which is subject to significant fluctuations in catch volume and selling prices ● Developing and utilizing sustainable feed with reduced fishmeal content ▶P.37 ● Selecting farming sites and species based on the anticipated impacts of global warming
Processing	R&D				● Research in fisheries science, including fish protein, and on food hygiene and safety ● Prototype development of new products, including frozen food products for industrial use, frozen and chilled food products for home use, and canned foods and seafood delicacies ● New product development and enhancement of product quality consistency by developing our own original technologies and through production technology guidance	● By having our research laboratories located together with the plants responsible for new product development, we are able to make the product development function more efficient ● We have developed the "Dandori Jozu" product line, designed to address social issues including labor shortages and the aging population ▶P.49-50 ● Strengthening new business initiatives through joint research across multiple fields with the Faculty of Agriculture at Tokyo University of Agriculture and Technology, the Faculty of Engineering at Yamagata University, the Faculty of Fisheries at Nagasaki University, and others	● Securing human resources capable of addressing a wide range of topics, and to cultivate human resources for the transmission of technical skills ● Developing differentiated products to improve profitability at Kyokuyo plants ● Safeguarding the Company's technology as intellectual property and establishing new technologies ● Promoting low-cost operations to enhance production efficiency at Kyokuyo plants
	Production and processing				● Production of grilled and simmered fish products that make effective use of the ingredients' natural flavor and texture ● Production of surimi (minced fish paste) products such as Ocean King (imitation crab meat) ● Production of fried marine products with an enhanced level of processing, meat products, etc. ● Production of products developed in line with customers' needs	● An integrated group procurement and production system in which raw materials purchased through our Marine Products Business's network undergo production and processing at our own plants ● Industry-leading handling volume of imitation crab meat for industrial use ● Effective utilization of marine resources through product development using by-products (see neribushi article) ▶P.45	● Realization of labor-saving (through the promotion of digital transformation (DX), etc.) at our production facilities in response to labor shortages and the need to enhance productivity ▶P.23 ● Responding to demand from medical, care, and social welfare facilities affected by labor shortages for products that are more convenient to prepare ● Expanding the lineup of ready-to-eat side dishes for dining tables and lunchboxes, targeting dual-income households and single-person households with limited time for cooking ● Expansion of production of products made using sustainable marine materials
Sales	Sales				● Sales of products through a wide range of channels, including the restaurant industry, mass-market retailers, convenience stores, hospitals and nursing care facilities, and cafeterias ● Promoting export sales of Japanese seafood and trilateral trade to strengthen sales in overseas markets with strong growth potential ● Expansion of overseas production and sales sites in regions such as Europe, Southeast Asia, and the U.S. under the policy of "produce overseas, sell overseas"	● A domestic and overseas sales network built over many years ● Established a sales structure that responds to diversifying lifestyles by meeting needs such as time savings and eliminating the need to visit physical stores, through the official online shop "Kyokuyo Store"	● Further expansion of overseas production sites and sales networks to increase overseas net sales ratio ● Implementation of measures to extend best-before dates and delivery dates, in order to reduce food loss
Logistics and Storage				Logistics Storage	● Cold storage business operated from three locations (Tokyo: 2; Fukuoka: 1) ● Provision of integrated logistics services from storage through delivery	● We are able to provide logistics services in Japan based on a nationwide network that links together the Kyokuyo Group's various business locations ▶P.66 ● We have a comprehensive supply system that ensures the safe, secure, and appropriate storage and delivery of products through the integration of processing/sales and logistics/storage operations	● Reducing loading and unloading work and waiting times to ease the burden on transport firms ● Improving logistics efficiency in response to rising transportation costs driven by driver shortages and higher fuel prices
Customer	Restaurants / Ready-made meals		Retail / Consumers				

Recognition of the Business Environment

To fulfill our responsibility to contribute to realizing a sustainable society under our corporate philosophy of "aiming to grow together with society, contributing to food culture," we have scrutinized the business environment in which the Kyokuyo Group operates from different perspectives, and have identified the key issues (materiality) affecting the Group.

Process for identifying key issues (Materiality)

1. Recognize the environments in which the Kyokuyo Group operates, so as to realize our corporate philosophy
2. Having recognized the environments in which the Kyokuyo Group operates, identify the risks and opportunities for the Group
3. Based on the identified risks and opportunities, analyze the Group's priorities and the importance of individual issues to stakeholders, and identify the Group's key issues (Materiality)

Business environment

- Growing global demand for seafood
- Worsening environmental issues (including climate change and marine pollution)
- Interest in food safety and reliability
- Population decline and continued declining birthrate and aging population in Japan
- Shortage of human resources
- Growing awareness of human rights
- Accelerating digital transformation (DX) and advances in generative AI
- Increasing emphasis on sustainability-focused management

Risks

- Increasing procurement costs due to intensified purchasing competition
- Changes in fishing grounds due to rising sea temperatures
- Reduced supply of seafood due to lower catch quotas
- Damage to aquaculture facilities, etc. due to extreme weather
- Increase in costs for preventing marine pollution (including the plastics issue) and reducing environmental impact
- Increase in costs for system construction to ensure food safety and reliability
- Declining seafood consumption in Japan
- Higher labor and logistics costs
- Reduced employee motivation and operational efficiency due to delays in addressing human rights risks and other issues
- Increased costs of building new systems, including information security systems
- Loss of sales opportunities due to delays in responding to diversifying sales channels
- Decline in corporate value due to delays in addressing sustainability issues

Opportunities

- Increased global demand for seafood driven by global population growth
- Expansion of sales channels in overseas markets: "local production for local consumption"
- Promoting the development of technology for low carbonization and resolving plastics issue
- Reducing procurement costs for raw materials, etc. through the transition to a circular economy
- Earning trust by promoting accurate and prompt information for consumers and business partners
- Development of "time-saving" products such as boneless and pre-cooked products
- Promoting smart fisheries for labor-saving
- Enhancing employee engagement through the creation of a comfortable workplace environment
- Creation of a workplace environment where diverse human resources can come together and thrive
- Advancing production and marketing technologies and promoting digital transformation (DX) through AI investment
- Improving operational efficiency through the use of generative AI
- Enhancing corporate value by actively addressing sustainability issues (improved social credibility, reduced funding costs, etc.)

Key issues (Materiality)

- Further expanding the overseas business and processed food business
- Accelerating the expansion of production locations and sales locations
- Strengthening our financial base
- Strengthening access to resources
- Responding to climate change and other environmental issues

Creating social values

- Contributing to a healthy and happy lifestyle and food culture
- Creating a workplace environment that respects human rights and fosters diversity
- Contributing to the realization of a sustainable society
- Stably delivering the rich bounty of the ocean to dining tables



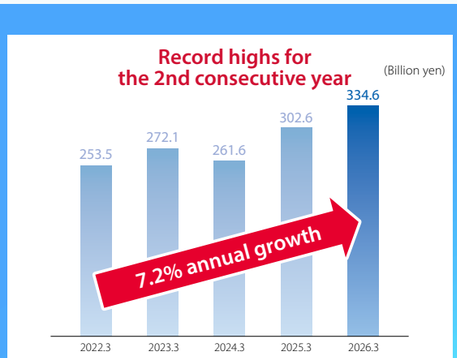
Medium-Term Business Plan “Gear Up Kyokuyo 2027”

The Medium-Term Business Plan “Gear Up Kyokuyo 2027” has now entered its final year.
Guided by our purpose—“Contributing to people’s lives and the planet through foods with a focus on fish, for a more sustainable world”—the Kyokuyo Group is committed to realizing “a strong Kyokuyo” by deepening our domestic initiatives and further expanding our business presence overseas.

1. Looking Back over the Second Year of the Medium-Term Business Plan and Key Issues

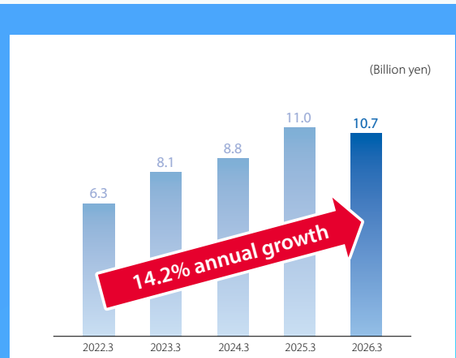
Under our corporate purpose, we expanded our “business base” and strengthened our “financial base” and “partnerships with stakeholders.” As a result, our domestic businesses drove Group performance as “Kyokuyo—the fish experts,” and we achieved record highs in net sales and net profit.

FY Ended March 2026 Actual Value



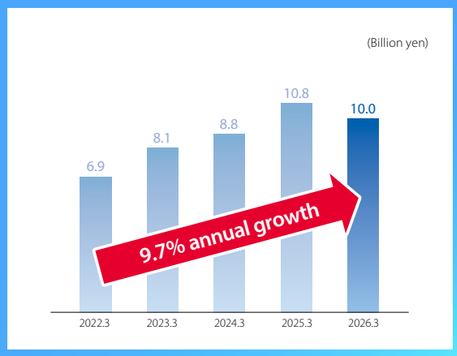
Net sales **334.6** billion yen

Y-o-Y **up 31.9 billion yen** (up 10.5%)



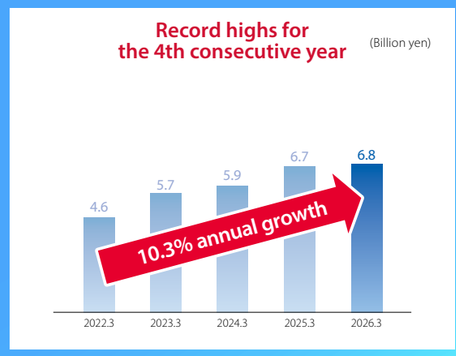
Operating profit **10.7** billion yen

Y-o-Y **down 0.3 billion yen** (down 3.1%)



Ordinary profit **10.0** billion yen

Y-o-Y **down 0.8 billion yen** (down 7.6%)



Profit attributable to owners of parent **6.8** billion yen

Y-o-Y **up 0.1 billion yen** (up 1.5%)

Net Sales and Profit by Segment

(Unit: million yen)

	Net sales			Profit by segment		
	FY ended March 2026	FY ended March 2025	Year-on-year	FY ended March 2026	FY ended March 2025	Year-on-year
Marine Products Business	**195,039**	168,668	26,371	**5,750**	6,109	(359)
Freshfoods Business	**71,725**	65,850	5,875	**3,856**	3,615	241
Processed Food Business	**65,528**	65,940	(412)	**2,534**	2,446	87
Logistics Business	**1,737**	1,667	70	**347**	294	52
Others	**581**	554	27	**(1,756)**	(1,386)	(370)
Total	**334,612**	302,681	31,931	**10,731**	11,079	(348)

Results achieved

- Increased net sales and improved profitability
- Strengthening our partnerships with stakeholders

Issues

- Strengthening the Overseas Business
- Return to positive free cash flow

Increased net sales and improved profitability

Driven in part by growth in domestic sales in the Marine Products Business, net sales reached a record high for the second consecutive year. Operating profit also grew at an annual rate of 14.2% over the past five fiscal years.

Strengthening our partnerships with stakeholders

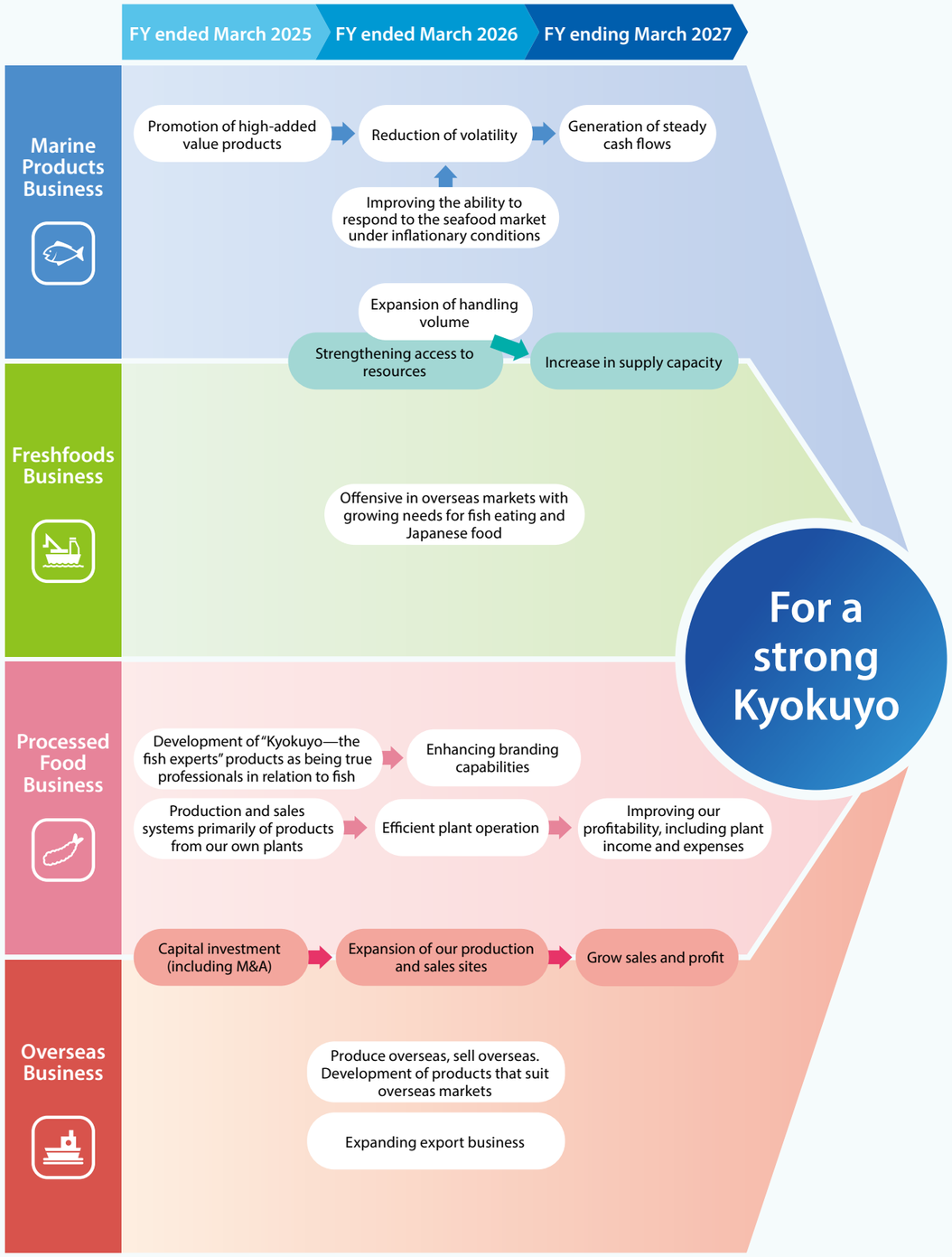
To foster a comfortable workplace environment for employees, we promoted health and productivity management, including by prohibiting smoking during working hours, and implemented measures to enhance employee motivation, including wage increases and a further increase in starting salaries.

Issues

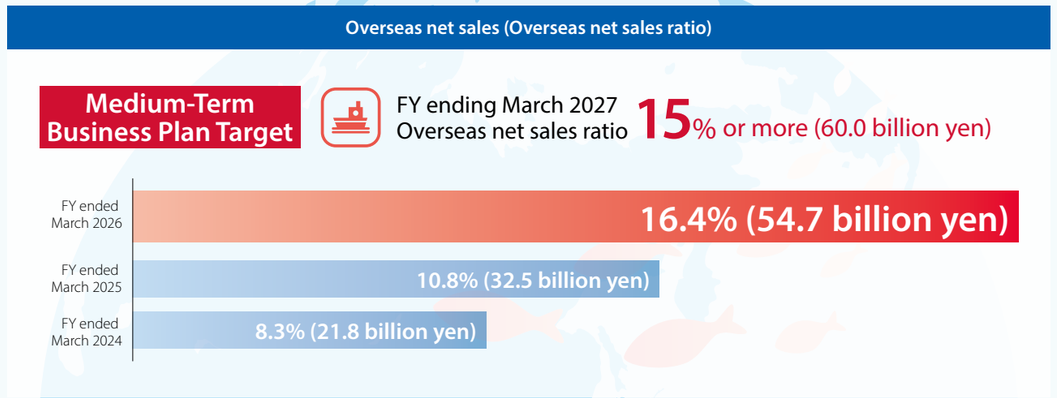
Although we achieved record highs in net sales and net profit, challenges remained in the Overseas Business, including lower plant utilization rates. Returning to positive free cash flow also remains a key issue as we pursue growth investments and other initiatives to strengthen and expand the Group.

2. Medium-Term Business Plan “Gear Up Kyokuyo 2027”

(1) Roadmap



(2) Actual Performance



(Unit: billion yen)

	FY ended March 2024 actual performance	FY ended March 2025 actual performance	FY ended March 2026 actual performance	FY ending March 2027 consolidated performance forecast	Medium-Term Business Plan target value (FY ending March 2027)
Net sales	261.6	302.6	334.6	365.0	400.0
Operating profit	8.8	11.0	10.7	12.0	13.5
Ordinary profit	8.8	10.8	10.0	11.0	13.5

(3) Policies

Policies

In our business operations, the Kyokuyo Group will further leverage its strengths in the Marine Products Business to increase its share of the domestic market. Building on this core business, we will strengthen and expand the Freshfoods Business, Processed Food Business, and Overseas Business. For the Overseas Business, in line with our policy of “produce overseas, sell overseas,” we will seek to expand overseas net sales and profit by strengthening collaboration between our overseas subsidiaries and headquarters.
On the financial side, we aim to reinforce our capital base through the steady accumulation of profits and diversify funding sources to establish a framework capable of supporting growth investments.

We will continue working to further strengthen our high-profit structure, including by improving productivity and efficiency at our overseas plants.
We will also secure the funds needed to strengthen our corporate structure and prepare for future business development, while aiming to raise dividend levels through medium- to long-term profit growth.

Message from the Executive Officer in Charge of Finance



“Proactively supporting business expansion and growth strategies from a financial perspective”

Senior Managing Director
Hitoshi Higaki

<Financial Review of the Fiscal Year Ended March 2026>

In the fiscal year ended March 2026, net sales reached a record high due to business expansion in Japan and overseas, while both operating profit and ordinary profit exceeded 10.0 billion yen despite being lower than in the previous fiscal year. This marked only the second time the Group had generated profit of at least 10.0 billion yen, and from a financial perspective, we believe it is important to continue accumulating earnings at or above this level to strengthen our financial base.
Strengthening our financial base and ensuring its stability are essential as we further expand our business in Japan and overseas. The equity ratio, one indicator of financial stability, was 36.1% in the fiscal year ended March 2026, down 0.4 percentage points from the previous fiscal year. The D/E ratio (debt-to-equity ratio), which indicates borrowings relative to equity, was unchanged year on year at 1.2 times.
As we continue to expand our business, we will work to establish a robust financial base to support that expansion.

	FY ended March 2023	FY ended March 2024	FY ended March 2025	FY ended March 2026
Net sales growth rate	7.3%	-3.9%	15.7%	10.5%
Operating profit margin	3.0%	3.4%	3.7%	3.2%
Ordinary profit margin	3.0%	3.4%	3.6%	3.0%
Equity ratio	32.5%	36.7%	36.5%	36.1%
D/E ratio	1.6 times	1.4 times	1.2 times	1.2 times

<Investment in Growth Strategies and Financing>

In Japan, we are growing net sales and profit, led by the Marine Products Business. The weak yen and global inflation have increased procurement prices for seafood, prompting us to increase working capital financing. To control the resulting increase in funding requirements, we strengthened inventory management and made more efficient use of funds, improving our CCC (cash conversion cycle) by 2.4 days year on year to 128.8 days.
Overseas, we completed our third acquisition in Europe in the fiscal year ended March 2026, with the funds needed for the acquisition and subsequent business integration provided by operating cash flow and borrowings. In the United States and Vietnam, we are also making upfront investments in plant construction as part of our overseas strategy, one of our growth strategies, and securing financing to support smooth plant operations and business expansion.
As we met substantial funding needs in Japan and overseas, operating cash flow was negative 0.75 billion yen in the fiscal year ended March 2026, while the EBITDA-to-interest-bearing debt ratio, which indicates the ability to repay interest-bearing debt, stood at 5.9 times. In financial markets, interest rates have risen gradually since the Bank of Japan ended its zero-interest-rate policy, and we have taken steps to reduce our interest burden, including increasing our issuance limit for commercial paper, a form of direct financing, by 5.0 billion yen. Going forward, we will seek to minimize the impact of rising interest rates through every available measure.

	FY ended March 2024	FY ended March 2025	FY ended March 2026
CCC	141.4 days	131.2 days	128.8 days
Operating cash flow	-1.72 billion yen	5.84 billion yen	-0.75 billion yen
EBITDA-to-interest-bearing debt ratio	5.9 times	5.3 times	5.9 times

<Strengthening Our Financial Base>

In June 2025, we disclosed “Action to Implement Management that is Conscious of Cost of Capital and Stock Price.” We are actively investing in growth areas while using assets efficiently to advance management that is conscious of the cost of capital. Return on equity (ROE) was 9.5% in the fiscal year ended March 2026, down 1.2 percentage points from the previous fiscal year, but remained above the generally accepted benchmark of 8%. To improve ROE going forward, we will maintain financial leverage, which represents the ratio of total assets to equity, while shifting from investment in growth areas to the earnings realization phase and proceeding to reap the returns from those investments.
The Medium-Term Business Plan has set a target of increasing ROIC (return on invested capital) to 6%. However, ROIC was 5.1% in the fiscal year ended March 2026, down 0.7 percentage points year on year. To achieve the 6% target, we will emphasize profitability and assess investments for efficiency as we work to build a robust financial base.

	FY ended March 2024	FY ended March 2025	FY ended March 2026
ROIC	5.1%	5.8%	5.1%
ROE	11.1%	10.7%	9.5%

<Earning Investor Trust and Returning Profits to Shareholders>

Earning the trust of investors is essential to meeting our funding needs. PBR (price-to-book ratio) remains below 1.0, but we are strengthening dialogue with stakeholders through proactive IR activities and public relations conducted through mass media, among other initiatives.
We consider proper returns of profits to shareholders to be one of the key points in our business management, and we are enhancing our internal reserves to prepare for future business development while working to raise dividend levels through medium- to long-term profit growth. DOE (dividend on equity ratio) has been set at 3% as a KPI under the Medium-Term Business Plan; the dividend was 150 yen per share for the fiscal year ended March 2026, up 20 yen year on year, and is forecast to be 160 yen per share for the fiscal year ending March 2027. We will continue to aim to raise dividend levels while maintaining a balance between growth investments and shareholder returns. Over the medium to long term, we aim to improve the Group’s financial indicators and credit ratings to earn investor confidence and thereby increase funding from the capital markets.
As the executive officer in charge of finance, at Group-wide meetings I not only emphasize the importance of operating cash flow and rigorous inventory management, but also carefully explain measures aimed at improving market perceptions of the Group and raising its share price, and encourage active discussion. Through these discussions, I will further raise awareness of capital efficiency throughout the Group and remain fully committed to sustainable growth and medium- to long-term enhancement of corporate value.

	FY ended March 2024	FY ended March 2025	FY ended March 2026	FY ending March 2027*
PBR	0.75 times	0.74 times	0.76 times	—
DOE	2.2%	2.5%	2.5%	2.4%
Dividends	100 yen	130 yen	150 yen	160 yen
Dividend payout ratio	18.2%	22.9%	26.0%	26.4%

*FY ending March 2027 value is a forecast

Approach to Stakeholders

The Kyokuyo Group believes that accurately reflecting the requests and expectations of stakeholders in its business strategies and activities is essential to achieving sustainable corporate management. In addition to ensuring legal compliance and accountability, we strive to build strong relationships through dialogue. Guided by our corporate philosophy of "growing together with society," we will continue working to be a corporate group that moves forward in partnership with all of you.

Stakeholders	Our attitude to stakeholders	Dialogue methods (e.g.)	Dialogue content, outcomes, and evaluation (e.g.) / Related pages, URLs, etc.
Consumers	Committed to our mission of contributing to a healthy and happy lifestyle and food culture by providing safe and reliable foods with a focus on fish.	● Customer Relations Center ● E-commerce site ● Social media ● TV commercials	● Number of registered e-commerce site users: 125% of the level at the same time in the previous year as of the end of March 2026 ● Number of X followers: account launched in October 2020; 430 in 2022; 125,000 in 2024; 145,000 as of May 2026 ● "People of Kyokuyo" TV commercial series (the employee edition features Kyokuyo employees) ● Ranked No. 1 in sales in the 2025 Nikkei POS Selection Canned Sardine Category   X @dandori_nya @kyokuyo_PR Instagram @kyokuyo_kitchen YouTube @kyokuyo channel8287
Business partners (suppliers, customers)	Aim to build mutually trusting relationships through effective sales strategies and product development.	● Familiarizing suppliers with our Basic Procurement Policy and Supplier Guidelines ● Implementing responsible procurement through supplier surveys ● Technical research meetings with partner processing plants ● Business meetings	● Enhancing hygiene management standards and ensuring prompt response to issues through periodic provision of guidance to plants ▶P.51-52 ● Supplier surveys: First survey conducted from August to September 2023; overview of the second survey, conducted from June to September 2024, published on the corporate website ▶P.38 ● The Kyokuyo Cooperation Association Technical Research Meeting has been held annually since 1986 to improve quality at each plant ▶P.51
Shareholders/ Investors	We place emphasis on asset efficiency and aim to further enhance corporate value and strengthen shareholder returns.	● General Meeting of Shareholders / IR presentations / IR interviews ● Integrated report / Business report / Corporate website	● Promoting mutual understanding with shareholders and investors through constructive dialogue ● Exhibited at the online individual investor event "Nomura IR Asset Management Fair 2026" to broaden understanding of the Company and attract a new base of supporters ▶P.28 ● Kyokuyo has been selected for inclusion in the FTSE JPX Blossom Japan Sector Relative Index
Employees	By enhancing employee well-being and engagement, we are working to create a workplace where employees can stay highly motivated.	● Implementing various initiatives based on health management ● Improving employment conditions ● Human resources interviews	● Expanded leave programs by introducing paid leave that can be taken by the hour and wellness leave to address health issues ● Obtained "Kurumin" certification from the Ministry of Health, Labour and Welfare as a company supporting childcare ● Obtained "Eruboshi" (Stage 2) certification under the Act on the Promotion of Women's Active Engagement in Professional Life ● Raised salary levels to enhance employee motivation and provide greater stability in employees' lives ● Recognized for the second consecutive year as a "2026 Outstanding Organizations of KENKO Investment for Health Program (Large Enterprise Category)" by the Ministry of Economy, Trade and Industry ▶P.46-47
Government	Work in collaboration with government agencies to address issues faced by local communities and society.	● Providing information and reports to government agencies ● Participating in opinion exchange meetings and briefings ● Promoting technology development through industry-academia-government collaboration ● Providing Hometown Tax return gifts	● Initiatives to reduce antibiotic use in the aquaculture business through an industry-academia-government collaboration platform ▶P.41 ● Provided imitation crab meat as a Hometown Tax return gift for Matsuno Town, Ehime Prefecture (Kyokuyo Foods Co., Ltd.) ▶P.53 ● Provided seared skipjack as a Hometown Tax return gift for Ibusuki City, Kagoshima Prefecture (Ibusuki Shokuhin Co., Ltd.) ▶P.53
Related organizations	Collaborate with relevant organizations with relevant organizations to communicate social issues, make policy proposals, and work toward their resolution.	● Policy recommendations and information sharing in collaboration with industry organizations ・Promoting environmental initiatives	● Collaborating with various organizations to promote sustainable seafood, improve sustainability in the fisheries industry, and ensure food safety and security Key participating organizations: Japan Fisheries Association, Marine Eco-Label Japan (MEL) Council, Japan Frozen Food Association, Japan Canners Association ▶P.38 MEL Certification
Local communities	Working to address social issues and improve quality of life through collaboration with local communities.	● Acceptance of off-campus educational visits ● Providing Hometown Tax return gifts ● Conducting cleanup activities	● Acceptance of off-campus educational visits (Shiogama Plant, Kyokuyo-Shokuhin Co., Ltd.) ▶P.53 ● Provided imitation crab meat and seared skipjack as Hometown Tax return gifts ▶P.53 ● Conducting river and coastal cleanup activities ● Contributing to environmental conservation through water quality management in seas near aquaculture facilities
Global environment	Taking a proactive and committed approach to conserving the global environment and making effective use of resources.	● Expanding handling of certified marine products (e.g., MSC) ● Implementation of Marine Resources Survey ● Conducting cleanup activities	● Conducting the Marine Resources Survey every three years ▶P.37 ● Conducting river and coastal cleanup activities ▶P.40 ● Promoting measures against marine plastic waste by reducing plastic usage and preventing ocean leakage ▶P.39-40 ● Reducing food loss through the use of trimmings and holding "Imperfect Item Sales" ▶P.45 

Accelerating Digital Transformation (DX)

In order to meet the needs of society while faced with the continuous transformation of our business environment, the Kyokuyo Group is aiming to improve its operations through the effective utilization of digital technology, to enhance productivity and working efficiency, and to address social issues such as labor shortages.

Developing a Fish Disease Outbreak Prediction System to Prevent Losses in Farmed Fish and Reduce the Risk of Antimicrobial-Resistant Bacteria

Annual losses in Japan's aquaculture industry due to fish disease are estimated to exceed 10 billion yen. Historically, action has often been taken only after symptoms became apparent, contributing to the spread of damage and increased use of antimicrobial agents.

The Kyokuyo Group is developing a system that uses AI to comprehensively analyze records of past fish disease outbreaks, corresponding environmental DNA data, and oceanographic data obtained from satellites and observation buoys to predict fish disease outbreak risk in advance.

This system is designed to promote a shift in the aquaculture industry from "reactive management and response after a fish disease outbreak" to "a preventive and efficient risk management framework based on scientific evidence." In addition, reducing the use of antimicrobial agents also helps lower the risk of antimicrobial-resistant bacteria emerging, thereby contributing to the sustainable production of safe and reliable farmed fish.

The Kyokuyo Group will continue to actively promote initiatives aimed at sustainable production in its aquaculture business through the development of various technologies.

Digitizing Production Sites to Improve Plant Productivity and Manufacture Safe and Reliable Products

The Kyokuyo Group is working to digitize on-site management tasks, including production records, equipment maintenance, temperature control, and supplies management.

The system began operating at Kyokuyo Foods Co., Ltd., Ibusuki Shokuhin Co., Ltd., and Apex Kyokuyo Co., Ltd. in April 2026. By managing production logs and checklists digitally and establishing multilayered checks of production conditions (checks from multiple perspectives), the system reduces the risk of missed checks and deviations from production conditions while enabling early detection of minor equipment anomalies and helping prevent sudden equipment shutdowns.

Sharing information between head office and plants also enables the Group to monitor conditions remotely, further strengthening its ability to manufacture safe and reliable products. Going forward, the system will be rolled out to other plants as the Group seeks to further enhance quality management across the Group.



Digitalization prevents missing entries and reduces the risk of missed checks and deviations from production conditions



Fish Disease Outbreak Prediction System (Image purposes only)

Integrating and analyzing molecular biological data and oceanographic data to visualize and assess fish disease outbreak risk on mobile devices for appropriate prevention and management



R&D Technology Management Section, Laboratory, Supply Chain Management Division

Comment from the development team

This project supports the development of sustainable food infrastructure envisioned by the government and the transition to smart fisheries. We hope to use this project as a catalyst to actively collaborate with companies in a wide range of industries and take on the challenge of addressing issues in the fisheries industry through new approaches unconstrained by conventional thinking.

Sustainability

The Kyokuyo Group is addressing a wide range of sustainability issues to fulfill its social responsibility by meeting society's needs and expectations. While working to address social issues, we are striving to build a relationship of trust with stakeholders, and we are aiming to realize sustainable growth for the group and enhance corporate value over the medium to long term.

Kyokuyo Group Basic Sustainability Policy

The Kyokuyo Group aims to achieve sustainable growth while solving social issues and contributing to the sustainable development of society, by creating social and economic value in our business activities based on the following five themes aligned with our Corporate Philosophy.

Creation and Sharing of Value	We solve various social issues and contribute to a healthy and happy lifestyle and culinary culture by creating and sharing value for society via the provision of safe and reliable products and services.
Communication with Society	We promote active communication with various stakeholders to respond to the demands and expectations of society, fulfill our social responsibilities, and thereby contribute to the creation of a prosperous society.
Creating an Environment where Diverse Human Resources Can Flourish	We strive to respect the diversity of human resources, which are the source of new value creation, and create an environment where everyone can flourish.
Harmony with the Environment	We strive to conduct business activities in harmony with the environment, via efforts such as reducing environmental impact, mitigating climate change, and conserving biodiversity and ecosystems.
Enhancing Corporate Governance	We strive to conduct fair business activities based on swift and highly transparent management, ensure compliance, and enhance risk management.

Kyokuyo Group Basic Procurement Policy

The Kyokuyo Group is determined to fulfill its social responsibility and to do its part to realize a sustainable society through sustainability-focused business activities, based on its Corporate Philosophy and the Kyokuyo Group Corporate Action Charter. Accordingly, we have formulated Kyokuyo Group Basic Procurement Policy in line with ISO 26000, an international standard for social responsibility, and are promoting responsible procurement* activities.

* Responsible procurement: Procurement which demonstrates concern for society and the environment, in terms of respect for human rights, compliance with the law, environmental conservation, labor health and safety, etc.

Eight points of Kyokuyo Group Basic Procurement Policy

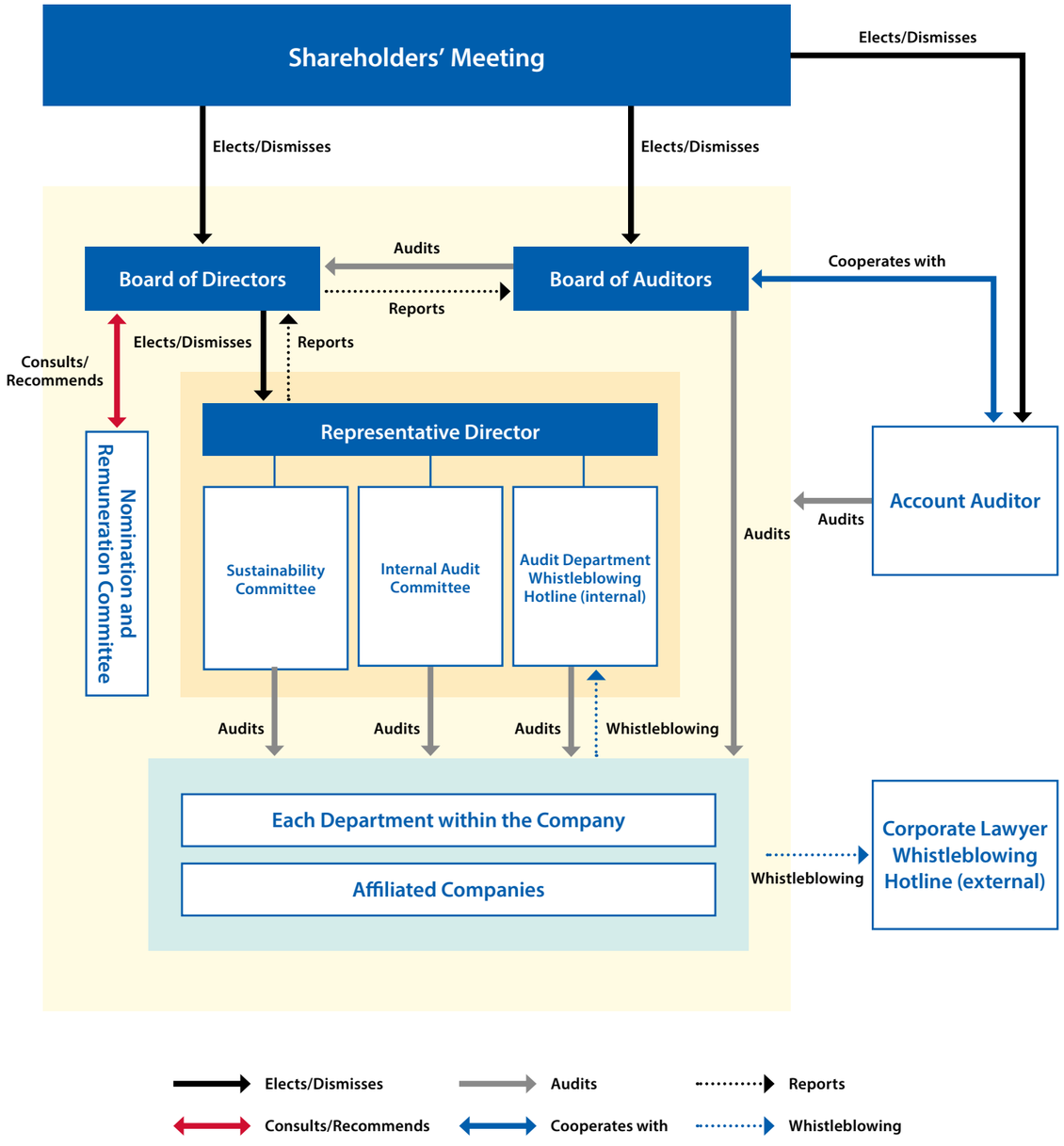
1. Compliance with laws and social norms
2. Respect for human rights
3. Safe and employee-friendly workplace environment
4. Consideration for global environment
5. Fair business practices
6. Safe and reliable products and services
7. Coexistence with local communities
8. Information security

Corporate Governance

Basic approach

The Kyokuyo Group's basic corporate governance policy is to conduct highly transparent management for shareholders and other stakeholders, and to perform swift and decisive decision-making to achieve sustainable growth and improve our corporate value over the medium- to long-term. In addition, we also uphold our company's Corporate Philosophy, Kyokuyo Group Corporate Action Charter, and Basic Sustainability Policy, building appropriate audit and monitoring systems to ensure thorough implementation of compliance, as we work to achieve and maintain efficient, fair operations.

Corporate governance system diagram



Changes in corporate governance

We regard the enhancement of corporate governance as a key management issue and, since FY2016, we have continuously promoted reforms such as reviewing the composition of the Board of Directors and actively appointing outside directors. In particular, measures have included the appointment of multiple independent outside directors, the appointment of female directors, the establishment of the Nomination and Remuneration Committee, and the adoption of the executive officer system, thereby strengthening the supervisory function of management and improving the quality of decision-making. In FY2025, the number of outside directors was increased to five, close to a majority of the Board of Directors, three of whom are women, significantly enhancing the Board's diversity and independence. Going forward we will continue to work toward a more effective governance structure.

Figures in parentheses denote the number of women

	Progress made in corporate governance reform	Executive directors	Independent outside directors	Outside directors ratio	Female directors ratio
FY ended March 2016	Appointment of independent outside director Appointment of female independent outside director Addition of an external attorney advisor to our whistleblowing system Commencement of assessment of Board of Directors performance	11	1 (1)	1/12 8%	1/12 8%
FY ended March 2017	Formulation of Corporate Governance Guidelines Commencement of examination of the appropriateness of cross shareholdings held by the company Initiation of regular training sessions for company officers Commencement of analysis of proxy voting results Adoption of stock compensation for directors based on company performance	10	1 (1)	1/11 9%	1/11 9%
FY ended March 2018	Appointment of multiple independent outside directors	9	2 (1)	2/11 18%	1/11 9%
FY ended March 2019		10	2 (1)	2/12 17%	1/12 8%
FY ended March 2020		10	2 (1)	2/12 17%	1/12 8%
FY ended March 2021	Appointment of multiple female independent outside directors	9	2 (2)	2/11 18%	2/11 18%
FY ended March 2022	Establishment of a Nomination and Remuneration Committee Appointment of independent outside directors accounting for over one-third of Board members	8	4 (2)	4/12 33%	2/12 17%
FY ended March 2023		7	4 (2)	4/11 36%	2/11 18%
FY ended March 2024	Adoption of an executive officer system	8	4 (2)	4/12 33%	2/12 17%
FY ended March 2025		9	5 (3)	5/14 36%	3/14 21%
FY ended March 2026		9	5 (3)	5/14 36%	3/14 21%
FY ending March 2027		9	5 (3)	5/14 36%	3/14 21%

Corporate governance system

Board of Directors

The Board of Directors convenes regularly, with extraordinary meetings convened as necessary, to ensure that the directors carry out their duties efficiently. In order to clarify the management responsibilities of directors and establish a management system that can swiftly respond to changes in the business environment, we set a one-year term of office for directors. In addition, we have appointed five independent outside directors, who account for over one-third of the total number of directors, thereby strengthening our oversight system.

Please refer to our corporate governance guidelines below.
URL https://www.kyokuyo.co.jp/en/ir/corp_gov/index.html

Board of Auditors

The Board of Auditors, which supervises the company's management, is composed of four members: two external auditors and two internal auditors.
At the start of each fiscal year, each auditor, in accordance with the audit policy and audit plan drawn up by the Board of Auditors, investigates and understands details of the company's internal controls including the execution of the company's business management, internal check and balances, compliance, and our internal audit, conducting their audit with a principal focus on confirming efficiency in these areas.

Nomination and Remuneration Committee

A voluntary Nomination and Remuneration Committee has been established as an advisory organ to the Board of Directors, with independent outside directors constituting a majority of its members. The committee shall deliberate on matters related to directors' nomination and remuneration based on consultations and requests from directors.

The Nomination and Remuneration Committee's activities

Nomination and Remuneration Committee	April 1, 2025 to March 31, 2026
No. of meetings held	Two meetings
Attendance of individual committee members	The three committee members all attended every meeting
Content of the committee's deliberations	Nomination of candidates for directorships/ Directors' remuneration

As of the end of June 2026, the members of the Nomination and Remuneration Committee were as follows.

Chair	**Makoto Inoue** (President and Representative Director)
Member	**Masayo Miura** (Independent Outside Director)
Member	**Katsuhiro Machida** (Independent Outside Director)

Evaluating the effectiveness of the Board of Directors

• Effectiveness evaluation process

We conduct an annual questionnaire to all directors and auditors regarding the effectiveness of the Board of Directors as a whole and report the results to the Board of Directors. The questionnaire consists of the following five items and uses a numerical scoring system. We also use a free-response approach to identify issues from qualitative data that are difficult to quantify.

1. **Composition of the Board of Directors** (number of directors, diversity, ratio of internal to outside directors, etc.)
2. **Operation of the Board of Directors meetings** (content and volume of materials, time for prior review, number of agenda items, time, discussion, etc.)
3. **Governance** (discussion informed by the direction of management strategy and stakeholder perspectives, risk management, etc.)
4. **Self-assessment** (one's own contribution as a director)
5. **Overall assessment** (overall evaluation)

• Analysis of directors' effectiveness and response status

The scores improved from the previous fiscal year, and the evaluation was generally positive.

<Issues>

1. **Improvement of the content, volume, and timing of the provision of Board of Directors meeting materials**
2. **Addressing risk management, sustainability-related information, and other matters**

• Future direction

The effectiveness scores have improved, but the issues above have been identified. Discussions of overseas business at Board of Directors meetings have also increased in line with the expansion of our overseas operations. Accordingly, we will assign an executive responsible for each overseas region and thoroughly organize and share matters for discussion in advance, thereby facilitating in-depth discussions at Board of Directors meetings.

Policy of training for directors and auditors

Newly appointed internal directors attend external seminars to acquire necessary knowledge as directors. We also promptly provide explanations of the Group's business to newly appointed outside directors and newly appointed external auditors at the time of their appointment.

In addition to regular executive training sessions for directors and auditors, we recommend that directors and auditors participate in external seminars and other training sessions as necessary, with the company paying all expenses.

Executive remuneration

Policy for deciding executive remuneration

Our basic policy on remuneration for directors is to have a balanced remuneration system, the purpose of which is to motivate directors to contribute more to improving performance and increasing corporate value from a medium- to long-term perspective.

Under this policy, directors' remuneration consists of fixed basic compensation and performance-based stock compensation, both of which are paid within the total amount of remuneration set at the Ordinary General Meeting of Shareholders.

Fixed basic compensation is determined based on each director's responsibilities. For performance-based stock compensation, the points to be awarded to each director for each fiscal year are determined according to the degree of achievement of consolidated sales and consolidated operating profit, with the Company's shares being paid through a trust upon a director's retirement.

Since the remuneration of outside directors is independent of business execution, they are only paid fixed basic compensation with no performance-based stock compensation.

Amounts of remuneration for directors and auditors (FY2025)

Executive classification	Total amount of remuneration (million yen)	Total amount by type of compensation (million yen)			Number of eligible basic executives
		Basic compensation	Performance-based stock compensation	Non-monetary compensation	
Directors (excluding outside directors)	415	374	41	—	9
Auditors (excluding external auditors)	14	14	—	—	3
External executives	105	105	—	—	8

(Note) 1 The amount of basic compensation for each director and auditor is within the compensation framework established at the General Meeting of Shareholders.
2 Performance-based stock compensation was established at the 100th Ordinary Shareholders' Meeting.
3 Directors' pay does not include the employee salary portion for directors who are concurrently employees.

Outside Director

Outside directors are expected to conduct effective management supervision from an independent and objective standpoint, with a practical perspective that draws on abundant experience, knowledge, and expertise.

▶P.33-34

When selecting candidates, we select individuals who can offer frank and constructive advice on our company's business management and exercise oversight.

The independence of candidates is determined based on the requirements established by the Tokyo Stock Exchange as well as our company's own criteria.

The concrete reasons for the selection of the five outside directors are as described below.

Names of independent outside directors	Reasons for selection
Masayo Miura	Ms. Masayo Miura researched food and nutrition, among other subjects, at Japan Nutrition University. At Board of Directors meetings, she offers pertinent opinions from a fair and objective standpoint, drawing on her long experience and expertise as a specialist in food and nutrition. The Company has again nominated her for the position of Outside Director as it expects that she will continue to provide appropriate guidance for decision-making by the Board of Directors based on her long experience and expertise.
Mika Shirao	Ms. Mika Shirao researched food hygiene and dietary education at Jissen Women's University. At Board of Directors meetings, she offers pertinent opinions from a specialist standpoint, drawing on her abundant experience and advanced scholarship. The Company has again nominated her for the position of Outside Director as it expects her to continue to apply her knowledge and experience to the management of the Company and perform a supervisory role.
Katsuhiro Machida	Mr. Katsuhiro Machida worked for many years in key positions at the Ministry of Agriculture, Forestry and Fisheries and has abundant knowledge and experience accumulated at a research institute. The Company has again nominated him for the position of Outside Director as it expects him to provide advice and guidance from a specialist standpoint, and to supervise business execution appropriately from an impartial perspective.
Eiji Yamada	Mr. Eiji Yamada has served as Representative Director and President of Japan Information Processing Service Co., Ltd. over many years and has broad-based insight as a business executive with experience and a record of achievement in systems development. The Company has again nominated him for the position of Outside Director as it expects him to supervise the running of the Company and to contribute to bolstering its corporate governance by providing advice on all aspects of the Company's management.
Asako Nagano	Ms. Asako Nagano worked for many years in key positions at the Ministry of Agriculture, Forestry and Fisheries and has abundant knowledge and experience accumulated through the forestry consulting business. The Company has nominated her for the position of Outside Director as it expects her to provide advice and guidance on sustainability from a specialist standpoint and to supervise business execution appropriately from an impartial perspective.

Internal controls

We have established a basic policy on internal control systems and have put in place related rules to develop and operate an internal control system. With the Internal Controls over Financial Reporting, as stipulated by the Financial Instruments and Exchange Act, we evaluate the status of the development and operation of our internal control system. We reported that the Group's internal control system was effective in FY2025, as in the past.

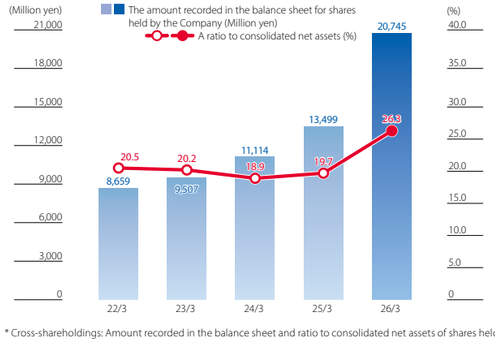
Cross-shareholdings*

Recognizing the risk of price fluctuations associated with holding shares, we hold shares other than those for investment purposes, taking fully into account the rationality of the holding purpose, such as maintaining and stabilizing business relationships and fostering mutual trust.

The Board of Directors carefully examines the purpose of holding, transaction status, dividends, capital costs, and other matters related to cross-shareholdings, individually each year to evaluate the necessity for holding the shares.

In principle, when exercising voting rights, we respect the judgment of the Board of Directors of the share issuer and vote in the affirmative. However, when exercising voting rights on matters that may have an adverse impact on the relationship with all transactions with our Group, or matters that may negatively affect the common good of shareholders, we will decide whether to vote in favor of the motion after careful consideration.

Changes in cross-shareholdings



* 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

Dialogue with shareholders and investors

IR policy

We believe that maintaining transparent and fair management is fundamental to corporate governance with the aim of achieving sustainable growth of the company and increasing corporate value over the medium- to long-term. To this end, we recognize that it is important to actively engage in dialogue with shareholders and reflect their opinions and requests in our management.

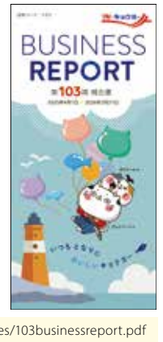
Based on this recognition, we disclose accurate corporate information required by shareholders and investors fairly and promptly in clear language. We also strive to disclose information in accordance with the Financial Instruments and Exchange Act, the Tokyo Stock Exchange's Securities Listing Regulations, and other applicable laws and regulations.

The Group conducts dialogues (interviews) with analysts and institutional investors as requested. In January 2026, to promote a deeper understanding of the Group and attract new supporters, we participated in Nomura IR Asset Management Fair 2026, an online event for individual investors. To help individual investors who were learning about the Group for the first time understand its business areas, growth strategy, and shareholder returns, we posted easy-to-understand explanatory videos and IR presentation materials. We will continue to strengthen our IR activities.

Japanese link: URL https://www.kyokuyo.co.jp/ir/policy/index.html

Promoting shareholders' and investors' understanding of Kyokuyo

In order to provide shareholders with a deeper understanding of the current state of the Group, we send a Business Report to people who are shareholders as of the end of March every year. In addition, at our twice-yearly IR Presentations for analysts and institutional investors, the president himself explains our financial results and future measures, and dialogues (interviews) are also conducted as requested.



BUSINESS REPORT URL https://www.kyokuyo.co.jp/en/files/103businessreport.pdf

Risk Management

Basic approach

We have established basic risk management rules for the Kyokuyo Group, and maintain a risk management system, in order to consider all risks that could affect the entire Group's business activities, to prevent the occurrence of such risks, and to minimize the impact of any risks that actually materialize.

Each department and Group company manages, on a daily basis, the risks faced in their own work. Kyokuyo's headquarters departments, in their role as supervisory departments, oversee the management of risks relating to their operations in the relevant departments and Group companies. Furthermore, Kyokuyo's Audit Department oversees headquarters departments and manages risks throughout the entire Group. We are prepared to respond to crises and emergencies by organizing level-specific response organizations, including countermeasure headquarters, countermeasure projects, and response teams.

Risk management system

After identifying key risks that could have a material impact on the Group's financial condition, business results, and other matters, we assess them along two axes: the impact if they materialize and the likelihood of occurrence. We visualize the materiality of these risks and share information on their occurrence and mitigation measures with the Board of Directors.

Our Internal Audit Team, which is organized by our Audit Department, conducts risk management system audits, reporting the results to the Internal Audit Committee.

Key risks and countermeasures

Risks	Countermeasures
Food safety issues	● Establishment and maintenance of a quality assurance system by the Quality Assurance Department ● Product-liability insurance and other forms of insurance
Fluctuations in raw material prices	● Forecasting raw material market conditions based on supply and demand estimates ● Joint business initiatives with suppliers ● Mitigation of market price risk through centralized management by fish species
Risks related to overseas business	● Diversification of procurement areas ● Holding of appropriate inventory in accordance with procurement risk
Exchange rate and interest rate fluctuations	● Risk hedging through yen-denominated settlements, forward exchange contracts, etc. ● Diversification of financing methods
Impairment risk for tangible fixed assets and goodwill	● Formulation of appropriate investment recovery plans at the business evaluation stage ● Progress monitoring and prompt plan reviews
Human resources risk	● Securing human resources through personnel system reforms ● Career development and enhanced motivation through job rotation
Crude oil price fluctuations	● Efficient business operations
Risks in the aquaculture business	● Making use of Fishery Mutual Aid Insurance ● Thorough facility management
Countermeasures against natural disasters	● Fire insurance, domestic comprehensive general cargo insurance, and other forms of insurance ● Establishment of a business continuity plan (BCP)
Risks related to information systems	● Use of antivirus software ● Continual uninterrupted monitoring of the network, regular security diagnostics ● Multiple backups
Sustainability-related risks	● Responsible procurement ● Reducing greenhouse gas emissions ● Reducing food waste

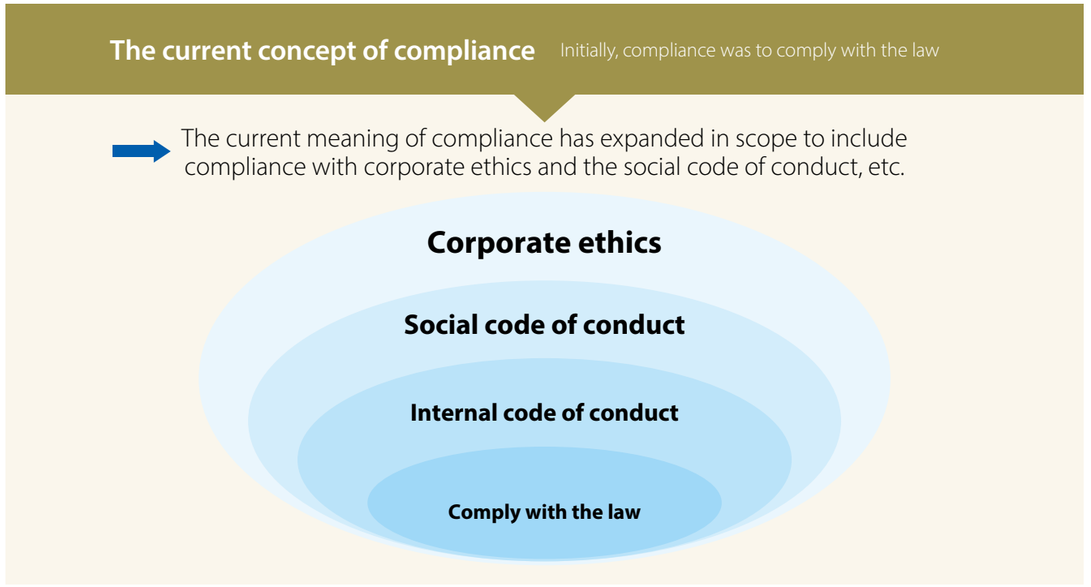
Compliance

Basic approach

The Kyokuyo Group defines compliance as "complying with laws and regulations, and adhering to Kyokuyo's Corporate Philosophy, Action Guidelines, Corporate Action Charter, internal rules, and corporate ethics," and views compliance as constituting a fundamental management policy.

In line with this fundamental policy, Kyokuyo Group officers and employees are expected not only to comply faithfully with laws and regulations, but also to understand corporate ethics and social code of conduct, and to act with sound judgment as responsible members of society.

By ensuring that all officers and employees consistently uphold compliance, we strive to prevent any violations from occurring in the course of daily operations.



Management system

The Audit Department, which reports directly to the President, is responsible for building, maintaining, and strengthening a Group-wide compliance framework. It also conducts reviews and monitoring related to internal controls over financial reporting and compliance in business execution, and reports to the Board of Directors as necessary. Through the President's daily messages and the Audit Department General Manager's communications at the beginning of each year, we ensure thorough compliance.

Education

The Audit Department provides training to ensure that each employee deepens their awareness of compliance and is able to apply it appropriately in daily operations. For new employees, compliance training is conducted during the onboarding program, combining explanations of the Company's compliance initiatives and rules with examples of violations to help them understand how such violations occur and the risks they pose to the Company. We also reinforce the importance of legal compliance through measures such as requiring employees to complete a correspondence course on compliance as a condition for promotion to managerial positions. In addition, we encourage participation in seminars on the Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment (commonly known as the "SME Transactions Act"), which came into force in 2026, as part of our ongoing legal education efforts.

Whistleblowing system

As part of our compliance framework, we have established a whistleblower system with both internal contact points and an external legal counsel to serve as reporting channels. In accordance with amendments to the Whistleblower Protection Act, we are reviewing our whistleblowing system and progressively revising the Internal Whistleblower Protection Rules. At the beginning of each fiscal year, the Audit Department repeatedly explains how the reporting channels work to employees, thereby promoting awareness and understanding of the whistleblowing system.

Board of Directors and Auditors

Director

◎ Independent director



Makoto Inoue
President and Representative Director

Date of birth: December 5, 1957



Shigeru Kondo
Vice President and Director

Date of birth: December 8, 1958



Hitoshi Higaki
Senior Managing Director

Date of birth: August 17, 1962



Keizo Yamaguchi
Managing Director

Date of birth: January 8, 1962



Masaki Miyama
Managing Director

Date of birth: March 30, 1966



Masahiko Oda
Managing Director

Date of birth: July 12, 1966



Yutaka Tanaka
Director

Date of birth: August 20, 1961



Atsushi Hattori
Director

Date of birth: July 16, 1965



Makoto Ishihara
Director (Newly appointed)

Date of birth: October 11, 1963



Masayo Miura
Outside Director (part-time) ◎

Date of birth: May 16, 1946



Mika Shirao
Outside Director (part-time) ◎

Date of birth: February 28, 1960



Katsuhiro Machida
Outside Director (part-time) ◎

Date of birth: November 15, 1953



Eiji Yamada
Outside Director (part-time) ◎

Date of birth: July 18, 1955



Asako Nagano
Outside Director (part-time) ◎

Date of birth: December 11, 1971

Supervisory Board Members

◎ Independent director



Tsutomu Sasaki
External Auditor (full-time) ◎

Date of birth: September 1, 1965



Shigeru Fukushima
External Auditor (full-time)

Date of birth: October 16, 1968



Yasuyuki Sobajima
Auditor (part-time)

Date of birth: April 23, 1957



Junji Suzuki
Auditor (part-time)

Date of birth: June 5, 1959

Executive expertise and experience (skill matrix)

Our Board of Directors consists of members with the following skills.

Name	General management	Industry insight	IT	Legal and compliance	Finance and accounting	Government and academic research	International	Sustainability
Makoto Inoue	●	●						●
Shigeru Kondo	●	●					●	
Hitoshi Higaki	●		●	●	●			●
Keizo Yamaguchi		●					●	
Masaki Miyama		●					●	
Masahiko Oda				●	●			
Yutaka Tanaka		●						
Atsushi Hattori		●						
Makoto Ishihara	●	●					●	
Masayo Miura						●		
Mika Shirao						●		
Katsuhiro Machida	●	●				●		
Eiji Yamada	●		●					
Asako Nagano	●	●				●	●	●

Reasons for selecting the eight items included in the skills matrix

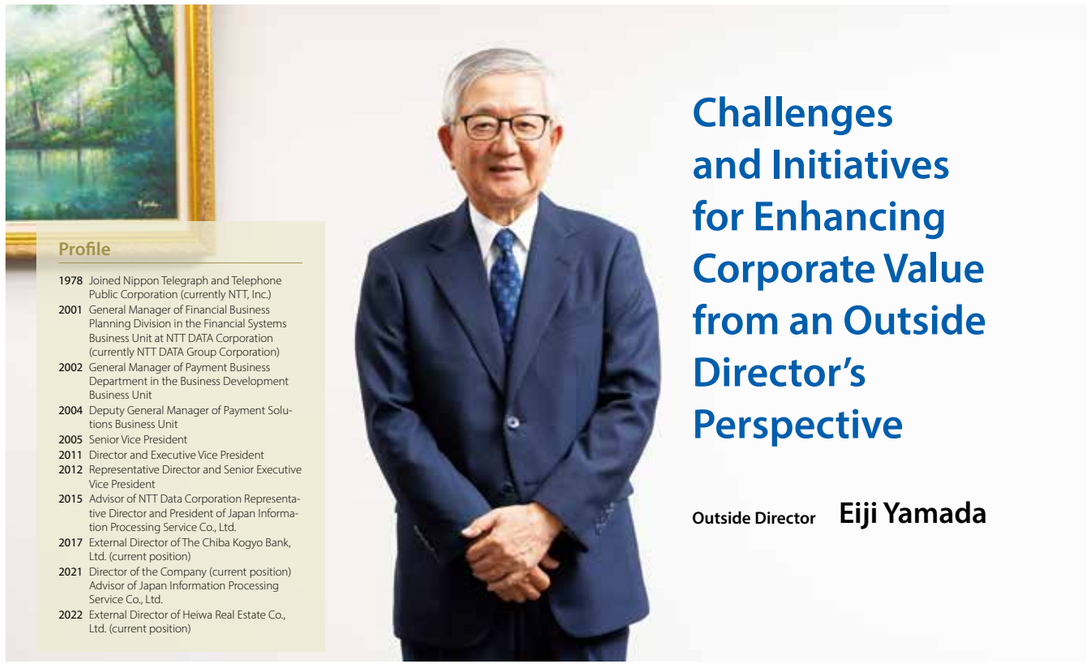
The items chosen for inclusion in the skills matrix—which include management capability, involvement in measures to address society's problems, compliance-related expertise, specialist expertise in areas including legal affairs, finance, accounting, government- and academic-related research, and sustainability, as well as the ability to operate effectively in an international context—are items necessary for realizing business expansion and sustainable growth.
(It should be noted that the list above shows areas where members have more specialized knowledge based on each individual's experience, etc., and is not a complete representation of their knowledge.)

Attendance record for the fiscal year

Name	Board of Directors attendance (meetings attended/meetings held)	Board of Auditors attendance (meetings attended/meetings held)
Makoto Inoue	16/16	—
Shigeru Kondo	16/16	—
Hitoshi Higaki	16/16	—
Keizo Yamaguchi	16/16	—
Masaki Miyama	15/16	—
Masahiko Oda	16/16	—
Yutaka Tanaka	16/16	—
Atsushi Hattori	15/16	—
Makoto Ishihara	—	—
Masayo Miura	16/16	—
Mika Shirao	16/16	—
Katsuhiro Machida	16/16	—
Eiji Yamada	15/16	—
Asako Nagano	15/16	—
Tsutomu Sasaki	16/16	16/16
Shigeru Fukushima	13/13	13/13
Yasuyuki Sobajima	16/16	16/16
Junji Suzuki	13/13	13/13

Note: Indicates status following appointment on June 24, 2026.

Message from an Outside Director



Challenges and Initiatives for Enhancing Corporate Value from an Outside Director's Perspective

Outside Director **Eiji Yamada**

Profile

1978 Joined Nippon Telegraph and Telephone Public Corporation (currently NTT, Inc.)
2001 General Manager of Financial Business Planning Division in the Financial Systems Business Unit at NTT DATA Corporation (currently NTT DATA Group Corporation)
2002 General Manager of Payment Business Department in the Business Development Business Unit
2004 Deputy General Manager of Payment Solutions Business Unit
2005 Senior Vice President
2011 Director and Executive Vice President
2012 Representative Director and Senior Executive Vice President
2015 Advisor of NTT Data Corporation Representative Director and President of Japan Information Processing Service Co., Ltd.
2017 External Director of The Chiba Kogyo Bank, Ltd. (current position)
2021 Director of the Company (current position) Advisor of Japan Information Processing Service Co., Ltd.
2022 External Director of Heiwa Real Estate Co., Ltd. (current position)

The Kyokuyo Group is currently advancing initiatives to sustainably enhance corporate value under its Medium-Term Business Plan, which is built on three pillars: "Expanding our business base," "Strengthening our financial base," and "Strengthening our partnerships with stakeholders." As I participate in management as an Outside Director, I can see that the Group is steadily transforming, while the issues it must address to achieve further growth are also becoming clear.

Recommendations for DX and AI Utilization Based on My Previous Experience

Based on my many years of experience in information systems, I believe that further advancing DX is critical to future growth and, in particular, that utilizing AI is an urgent priority. Achieving this requires action backed by a strong commitment from senior management. The Group is advancing DX under President Inoue's leadership, but it is still only partway through the journey. I expect the entire Company, rather than leaving the task solely to the department responsible for information systems, to work as one, further strengthen its cross-functional implementation framework, and deliver significant results.

The essence of DX lies not merely in improving operational efficiency, but in transforming business processes and business models themselves. For example, introducing AI into inventory management and sales activities is expected to dramatically change conventional practices by enabling the creation of proposals based on market analysis and more sophisticated operations.

Going forward, I will encourage the Group to position AI not merely as a support tool but as an agent capable of performing work autonomously and to incorporate external technologies and expertise, while providing advice aimed at rapid transformation and closely monitoring progress.

Issues to Address in Our Growth Strategy

The challenges associated with our growth strategy are wide-ranging. Still, the two immediate priorities are optimizing inventory management and strengthening overseas business, both of which I recognize as major challenges for the Group.

First, optimizing inventory management is critically important as a foundation for our growth strategy. The President stresses this at every meeting, but the current situation is not yet satisfactory. Maintaining the inventory needed for sales is of course essential, but frontline personnel must continually question whether it is truly at an appropriate level and make corrections as necessary.

As rising inventory also poses a risk of worsening cash flow, we must take a multifaceted, Group-wide approach, using objective tools such as AI rather than relying on past experience or intuition. I believe that overcoming this issue is not only essential to strengthening our financial base but also a prerequisite for the Group's next leap forward.

Next, strengthening overseas business is essential as the Japanese market contracts due to population decline and other factors. Although we are promoting local production for local consumption in the United States, Europe, and Southeast Asia, there remains considerable room for improvement. At meetings of the Board of Directors, we scrutinize issues from the perspectives of due diligence and PMI (Post Merger Integration), the process of integrating management following an acquisition. We have also assigned an executive officer to each of our three overseas regions to clarify responsibility for earnings and deepen discussions on progress.

Based on my experience in my previous position, I recognize that expanding overseas business entails many difficulties, including differences in culture and values. Although the Group continues to face difficulties, it is making steady progress step by step, and I regard this as a key issue that the entire Group must address steadily by marshaling all of its resources, including through human resource development.

Role of an Outside Director

I see the role of an Outside Director as monitoring governance and business execution fairly and impartially from an independent perspective and contributing to the Company's development.

At meetings of the Board of Directors, I sometimes speak from perspectives such as how shareholders would view a matter and when a return commensurate with an investment can be expected. To those responsible for execution, my comments may at times sound severe, but such questions prompt new insights and create a constructive sense of tension. I believe one of my key roles is to provide "sound checks and balances" that support appropriate risk-taking. I will continue to offer perspectives that can easily be overlooked in internal discussions alone, thereby contributing to higher-quality decision-making.

Under the President's leadership, the Group has steadily worked to improve employee compensation and strengthen governance, achieving significant results over the past several years. As an Outside Director, I intend to support these efforts. I view the current Medium-Term Business Plan as an important challenge for the Company's future development and will do my utmost to ensure that the Kyokuyo Group continues to develop sustainably under sound governance.



Responsible Procurement

Social Issues (background)	Kyokuyo Group's Approach
■ Adapting to changes in the marine environment ■ Addressing overfishing caused by illegal fishing operations, etc.	■ Conservation of the marine environment ■ Reducing impacts on the marine environment through aquaculture using feed with reduced fishmeal content, etc. ■ Understanding procurement conditions and addressing issues ■ Promoting the sustainable use of marine resources, including the handling of certified marine products

Kyokuyo Group's Position and Policy

To realize a sustainable society, it is important to address social issues throughout the supply chain, including combating illegal fishing operations and preventing human rights violations. Building on relationships of trust with stakeholders, we will seek to achieve the Group's sustainable growth and enhance corporate value over the medium to long term by promoting "responsible procurement" that takes human rights, the environment, and other considerations into account.

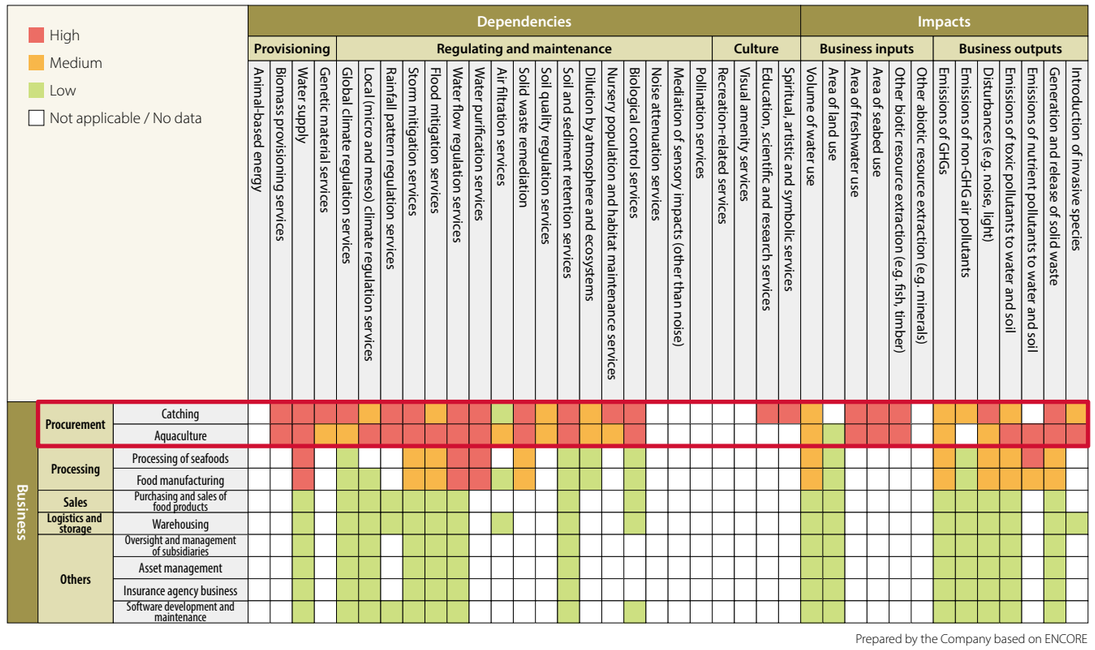
Assessment of the mutual relationship Between the Kyokuyo Group and Nature

As societal interest in "nature" and "nature-related risks" grows, we assessed the relationship between the Group and nature to enhance our business potential.
The Group's business activities, which are based on seafoods, are supported by "nature's bounty" and depend on "nature," while also impacting "nature." Accordingly, if the supply of seafoods, which constitutes "nature's bounty," declines, the Group will find it difficult to continue its business operations. We believe that assessing business risks and opportunities from the perspective of our relationship with "nature," including climate change, will enable us to take appropriate action and thereby enhance the sustainability of our business.

1. Identification of Activities with High Dependencies and Impacts on Nature

To understand the Group's relationship with nature in terms of dependencies and impacts, we conducted an assessment using ENCORE, an analytical tool recommended by the TNFD.* Fishing and aquaculture under "Procurement," which is essential to business continuity, are highly dependent on and have significant impacts on nature.

* Taskforce on Nature-related Financial Disclosures



Prepared by the Company based on ENCORE

2. Impact Quantification

The ENCORE assessment found that catching and aquaculture under "Procurement" have substantial dependencies and impacts on nature. To quantitatively assess the impacts of climate change, we estimated production volumes for wild seafoods and aquaculture products in 2050 using two commonly used benchmarks—the 1.5°C and 4°C scenarios.

1.5°C — Climate Change — 4°C

Ecosystems are Protected and Seafood Production Increases

- Robust climate change policies are introduced
- Food production systems with low greenhouse gas emissions are established
- Catch volumes approach maximum sustainable yield
- Aquaculture develops and expands sustainably

Ecosystems Deteriorate and Seafood Production Decreases

- Rising sea temperatures, sea level rise, and ocean acidification
- Abnormal weather occurs more frequently
- Production declines as the deterioration of resource status outpaces regulatory measures
- Offshore farming operations are increasingly discontinued or scaled back due to deterioration of the marine environment

Estimated Seafood Production in 2050 under the 1.5°C Scenario (vs. 2023)

	Wild products	Aquaculture products
Global total	Increase of 10% to less than 30% ↗	Increase of 10% to less than 30% ↗
Total for the Kyokuyo Group's major fish species	Increase of 30% or more ↗↗	Increase of 10% to less than 30% ↗

Estimated Seafood Production in 2050 under the 4°C Scenario (vs. 2023)

	Wild products	Aquaculture products
Global total	Decrease of 10% to less than 30% ↘	Decrease of 10% to less than 30% ↘
Total for the Kyokuyo Group's major fish species	Increase of 10% to less than 30% ↗	Increase or decrease of less than 10% →

3. Identification and Prioritization of Risks and Opportunities

We identified potential risks and opportunities related to "Procurement" and determined those with the highest priority based on assessments of the timing of their impacts and their social, environmental, and financial impacts.

<Risks deemed high priority>

Risk category	Risks deemed high priority	Impact (adverse effect)	Time until risk materialization*	Impact on society and the environment		Financial impact
				Severity	Scope	
Transition risk	Strengthening of catch regulations	Declines in catch and purchase volumes, resulting in sharp price increases and unstable procurement volumes	Medium term	Large	Large	Not calculated
Physical risk	Changes in the ocean environment (rising sea temperatures and rising sea levels)	Increased procurement risk due to changes in fishing grounds, fish species, and catch volumes	Long term	Large	Large	Large

* Short term: within 2 years; medium term: 3–5 years; long term: 6–20 years

<Opportunities deemed high priority>

Opportunity category		Opportunities deemed high priority	Impact (benefit)	Time until opportunity materialization*	Impact on society and the environment		Financial impact
					Severity	Scope	
Sustainability performance	Ecosystem protection, restoration and regeneration	Food production that is not dependent on the sea	Avoidance of procurement risk	Medium term	Large	Large	Not calculated

*1 Short term: within 2 years; medium term: 3–5 years; long term: 6–20 years

4. Identification of Synergies and Trade-offs Associated with Initiatives

To enhance business sustainability through appropriate action, we identified synergies (mutually reinforcing effects) and trade-offs (conflicting effects) associated with initiatives addressing high-priority risks and opportunities from three perspectives: "Decarbonization," "Nature Positive," and "Circular Economy."

Policies	Primary area (■ extent of impact)	Secondary impacts (● Synergies/▲ Trade-offs)	Strategies for maximizing positive impacts and avoiding downside risks
Expanding the volume of seafoods handled by strengthening access to resources	**Nature Positive:** ■■■ Access to fisheries with healthy stocks and new aquaculture sites is strengthened	**Decarbonization:** ▲ Transportation volumes and energy consumption for freezing and storage may increase as handling volume expands	● **Strengthening collaboration with business partners and developing new procurement sources** ● **Shortening transportation distances** by bringing production sites closer to markets under the policy of "produce overseas, sell overseas"
Developing high-value-added products that are less susceptible to fluctuations in marine product prices and can generate high profits	**Nature Positive:** ■■ When certified marine products or unused resources are used as raw materials, product output can be increased without increasing fishing pressure	**Nature Positive:** ▲ If adding value to products concentrates demand on specific fish species, their resource status may deteriorate	● **Checking the resource status of procured seafoods** through the "Kyokuyo Group Marine Resources Survey" to understand risks associated with the fish species used as raw materials ● Ensuring stable supply and expanding markets through **the use of alternative fish species**
Handling of aquaculture products	**Nature Positive:** ■■■ Reliance on wild-caught fish in seafood production is reduced	**Nature Positive:** ▲ Inappropriate or inadequate management may degrade water quality around fish cages, while effluent from land-based aquaculture facilities may cause water pollution	● **Use of feed with excellent shape retention, digestibility, and nutrient absorption** ● Prevention of water pollution through **AI-based feeding management**
Low-fishmeal and fish-oil aquaculture	**Nature Positive:** ■■■ The proportion of wild products converted into feed decreases	**Decarbonization:** ●● Reduction of CO2 emissions from the catching, processing, and transportation of seafood used as feed **Circular Economy:** ●● Promoting the conversion of unused resources into feed ingredients **Nature Positive:** ▲ Dependence on agricultural and livestock production may increase	● **Recycling marine product processing residues into aquaculture feed ingredients** ● Practicing "responsible procurement" by using the "Kyokuyo Group Supplier Survey" to **confirm suppliers' initiatives to reduce environmental impacts and related efforts**
Implementation of Marine Resources Survey	**Nature Positive:** ■■■ The resource status of procured seafood is assessed, and measures are taken to reduce the burden that procurement places on ecosystems	**Decarbonization:** ●▲ Switching to alternative fish species and sourcing regions may either shorten or lengthen transportation distances for raw materials	● **Shortening transportation distances** by bringing production sites closer to markets under the policy of "produce overseas, sell overseas"

Using "Procurement" as the starting point, we are working to foster internal understanding by sharing information across the Group on our relationship with nature, including the quantification of financial impacts, identified risks and opportunities, and identified synergies and trade-offs. Going forward, we will conduct further analysis focusing specifically on "Aquaculture."

Kyokuyo Group Marine Resources Survey

The results of our survey of the resource status of seafoods procured by the Company and 16 domestic and overseas Group companies in FY2023 are as follows.

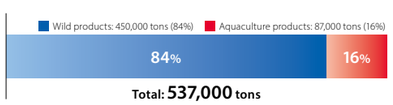
1. Purpose

As demand for seafood grows due to more widespread seafood diets throughout the world, conservation of marine habitats and sustainable use of marine resources are increasingly important. Under these circumstances, the Kyokuyo Group has strived to procure from properly managed fisheries and from aquaculture that is considerate of marine habitats.
Based on this idea, the purpose of the survey was to understand the Group's procurement status at a regular interval, understand the issues, and take appropriate measures to address those issues.

2. Results

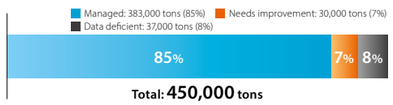
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❶ **Breakdown of marine products procured**



❷ **Breakdown of wild seafood**

"Managed" improved from 78% last time* to 85%



* Survey of marine products procured in FY2020.

3. Issues and the Next Steps

Issues What is necessary to increase the procurement ratio from "managed"?

Next Steps

❶ For "Needs improvement," we will continuously check the information from sources such as fishery organizations while also expanding the applicable scope of dialogues, which have already begun with suppliers, about the resource status and check methods and other means of resource management, minimize the risk of illegal, unreported, and unregulated (IUU) fishing, and find ways to carry more seafood that poses a low risk of resource depletion.
❷ For "Data deficient," it became possible to check the resource status updated in databases operated by investigative organizations such as the Sustainable Fisheries Partnership (SFP)* to learn the status of some resources. For further improvements, we will continue checking information from investigative organizations and others. As dialogues with suppliers proceed, we will also check their catching methods and the areas they use, among other factors, to work toward ensuring traceability while also further improving the accuracy of in-house data management.
❸ For wild marine resources that are "managed," we will work toward handling larger amounts of certified marine products.

* Sustainable Fisheries Partnership: A nonprofit organization promoting initiatives toward sustainable fisheries

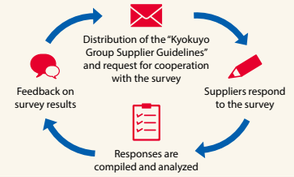
We plan to conduct a marine resources survey of procured marine products once every three years.

Supplier Survey

With the aim of promoting "responsible procurement" throughout the entire supply chain, we conducted the supplier survey.

1. Overview	**Scope:** Kyokuyo Co., Ltd. and Group companies' domestic and overseas suppliers **Survey Period:** June to September 2024 **Method:** Online questionnaire survey
2. Survey items	❶ Initiatives to prevent human rights violations (measures against forced labor and child labor, prevention of discrimination, etc.) ❷ Measures against climate change (efforts to reduce greenhouse gas emissions, calculation of emissions, etc.) ❸ Promotion of responsible procurement (measures against IUU fishing, etc.)
3. Number of responding companies	217 companies (accounting for approximately 81% of total purchase value in FY2023) Total companies surveyed: 257 (response rate: 84%)
4. Future response measures	We are providing individual feedback to responding suppliers using radar charts and other tools to compare their initiatives with the average of all responding companies. For suppliers whose initiatives are found to be insufficient based on the survey results, we request them to consider taking further action during the feedback process. We will continue to conduct follow-up surveys to monitor progress. Even for suppliers whose efforts are deemed sufficient at this stage, we will conduct regular surveys to identify and mitigate risks across the supply chain.

Supplier Survey Process



Certified Marine Products

The proportion of sustainable marine resources continues to decline. Accordingly, demand for certified marine products that meet international standards is expected to continue growing in markets both in Japan and overseas.
The Kyokuyo Group began handling MSC-certified seafood*1 in 2006, followed by ASC-certified seafood*2 in 2014, and has since been working to expand both the number of species and the total volume handled. Since the end of 2023 to the beginning of 2024, we secured MEL*3 aquaculture certification for red sea bream and burihira® (a yellowtail-goldstriped amberjack crossbreed species), and also secured MEL Chain of Custody Certification for the distribution and processing stages. These certifications serve as indicators to ensure that the marine products handled by the Group are derived from fisheries and aquaculture that are properly managed on a scientific basis.
Every year, we implement training for relevant Group personnel regarding the handling of certified marine products. Through this training, we promote an understanding of management methods such as identification and traceability in the handling of certified marine products.
Through these initiatives, we will continue working to promote the sustainable use of marine resources.

MSC-C-51738

ASC-C-00459

MEL-JFR-C130021

*1 Marine Stewardship Council
An international certification for sustainable, environmentally responsible wild-capture fisheries

*2 Aquaculture Stewardship Council
An international certification for farmed seafood produced with minimal environmental and social impacts

*3 Marine Eco-Label Japan
An internationally recognized certification program for sustainable marine products
A Japan-originated seafood eco-label that takes Japan's diversity into consideration

Conservation of the Marine Environment

Social Issues (background)	Kyokuyo Group's Approach
■ Preventing pollution of the marine environment ■ Conservation of biodiversity ■ Preventing the spread of antimicrobial-resistant bacteria	■ Reducing the amount of plastic used in packaging ■ Preventing the outflow of plastic waste into the oceans ■ Reducing the use of antibiotics

Kyokuyo Group's Position and Policy

Of the ocean plastic waste that has become a global issue, it is estimated that approximately 10 million tons per year originate from land-based sources. The majority of ocean plastic waste is generated in urban areas and reaches the ocean via rivers. While ultraviolet light, waves and other factors reduce the size of plastic, it does not decompose and accumulates in the ocean.

As it is vital to reduce the inflow of plastic into the ocean itself, Group plants that use plastic packaging materials in the manufacturing of their products, are working to reduce plastic usage, from the product design stage onward, to consider appropriate materials, assess product safety, and review manufacturing processes. In addition, Group aquaculture companies which use plastic buoys, fishing nets and other equipment, carry out daily maintenance and inspection work to help keep fishing equipment out of the oceans.

The Kyokuyo Group is working to conserve the marine environment through Group-wide initiatives to reduce the volume of plastic used in packaging (thereby helping to reduce plastic waste), prevent plastic waste from entering the ocean, and reduce the use of antibiotics.

Conceptual illustration of Ocean Plastic Waste



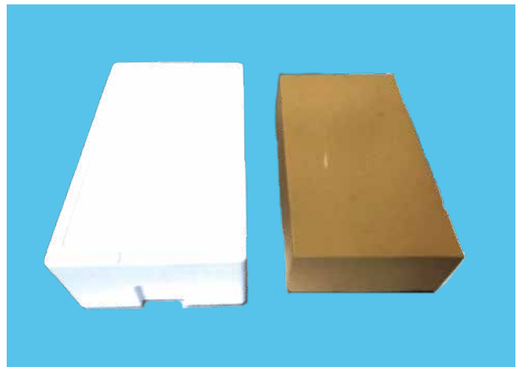
Initiatives to Reduce the Amount of Plastic Used in Packaging

In 2022, we set ourselves the goal of reducing the plastic usage intensity of packaging materials used at Group plants by 30% by 2030 (reference year: 2019). Our entire Group is working together to achieve this goal. We are working to reduce plastic usage through various methods, including switching to alternative materials.

Example of reduction measure <Switching materials>

Kyokuyo-Shokuhin Co., Ltd.'s Hachinohe Plant

Boxes used for salt-cured coho salmon are being gradually switched from expanded polystyrene (Styrofoam) to paper (cardboard), which has a higher recycling rate, thereby reducing plastic usage.



Trends in Plastic Usage in Packaging ▶P.56

Measures to Prevent the Loss of Plastic Fishing Equipment at Sea
Regular Replacement of Fishing Equipment

Group companies in Japan responsible for the aquaculture conduct repairs and maintenance in the course of their daily work to prevent plastic components of fishing nets and buoys used in aquaculture facilities from getting damaged and flowing into the ocean. In addition, nets and buoys etc. are removed from the water and inspected for damage every three years, and are replaced in the ninth year. Going forward, by continuing to implement inspections, repairs and maintenance work, and by replacing fishing equipment on a regular basis, we will prevent plastic fishing equipment from flowing into the oceans.

Implementation of Cleanup Activities

To help prevent waste from flowing into the ocean, the Company conducts cleanup activities in river areas and along coastlines.

<Clean River Activity>

As an official partner of the Japan Canoe Federation, the Company has served as the title sponsor of the "Canoe Slalom Japan Cup Kyokuyo Series" since 2017. Following each event, we conduct "Clean River Activities" to clean the areas surrounding the competition course. As of 2025, a total of 38 activities have been conducted, with cumulative participation reaching 2,594 individuals.



<Coastal Cleanup Activity>

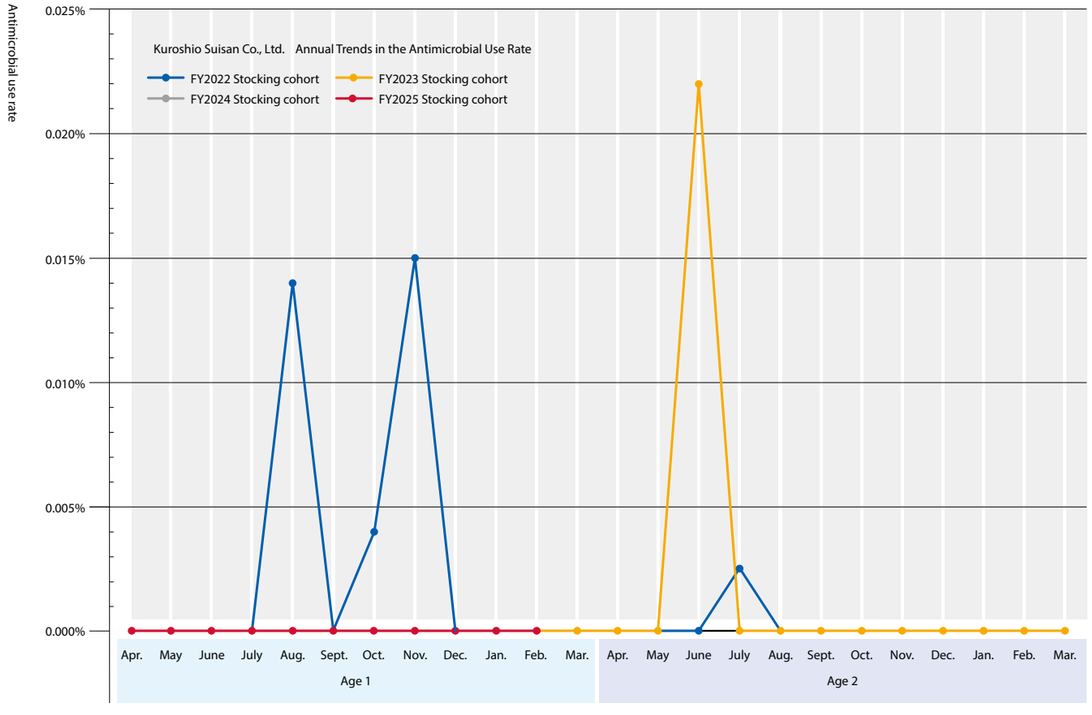
Since 2023, the Company has conducted annual coastal cleanup activities as a joint initiative with Umios Corporation and Nissui Corporation. At the 2025 cleanup activity, which also included TOYO REIZO Co., Ltd., a total of 182 people from all four companies combined participated and collected 17.5 kilograms of waste.



Measures to Reduce Antibiotics Use in the Aquaculture Business

As an initiative unique to the Company, Kuroshio Suisan Co., Ltd., a Group company, has optimized stocking density in fish pens and selected rearing areas appropriate to each growth stage, successfully raising yellowtail species from juvenile fish stocked in FY2024 onward without using any drugs classified by WHO as Critically Important Antimicrobials (CIA). Through this initiative, the company is also working to prevent marine pollution caused by the use of drugs at its aquaculture sites.

In addition, Kyokuyo has recognized the need to strengthen development of fish vaccines to reduce the amount of antibiotics used in our aquaculture business. In 2022, together with Umios Corporation, Nissui Corporation, the Ministry of Agriculture, Forestry and Fisheries, the Fisheries Agency, the Japan Fisheries Research and Education Agency (FRA), and pharmaceutical companies, we established a Vaccine Study Group to serve as a platform for collaboration between industry, government, and the university sector. Through the exchange of views and ongoing measures to realize the development of new fish vaccines, we are aiming to reduce the use of antibiotics in aquaculture and help prevent the spread of antimicrobial-resistant bacteria.



Participation in Initiatives

Japan Clean Ocean Material Alliance (CLOMA)

The Japan Clean Ocean Material Alliance (CLOMA) was established to address the issue of ocean plastic waste by promoting the sustainable use of plastic products through resource circulation and by accelerating the development and adoption of innovative alternatives that contribute to reducing plastic waste emissions.

The Company is working to help mitigate the issue of ocean plastic waste. We are examining how the latest information from CLOMA on new materials and alternative products can be utilized in the Group's business activities, including efforts to reduce the use of plastic in packaging materials at our production facilities.

CLOMA

Reducing Greenhouse Gas Emissions

Social Issues (Background)

- Climate Change countermeasures
- Reducing environmental impact factors associated with business activities

Kyokuyo Group's Approach

- Reducing greenhouse gas emissions
- Efficient use of energy resources
- Promoting decarbonization and eliminating the use of CFCs

Kyokuyo Group's Position and Policy

Global warming, caused mainly by the increase in emissions of greenhouse gases such as carbon dioxide (CO_2), has been transforming the ocean environment and leading to abnormal weather conditions, and there are concerns that it could have various negative impacts on society and on the ability of the Kyokuyo Group to realize business continuity over the long term.

To ensure that the Kyokuyo Group continues to deliver value to society and grow together with it over the long term, we are working to help keep global warming under control through the reduction of greenhouse gas emissions, for example by using energy more efficiently and utilizing renewable energy.

Initiatives in Response to Climate Change -Following the TCFD Recommendation

Based on the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD),*1 the Kyokuyo Group has been analyzing the risks and opportunities that climate change will bring for our business activities, and considering strategies that can be implemented in response.

The operational flow from identifying risks and opportunities through to formulating strategies in response

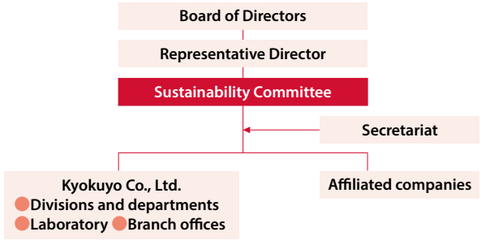
1. Identifying the risks and opportunities associated with climate change
2. Evaluating the potential impact of the risks and opportunities that have been identified, based on future global temperature rise scenarios
3. Formulating strategies in response to those risks and opportunities that are assessed as being likely to have a particularly strong impact

*1 Task Force on Climate-related Financial Disclosure (TCFD): The Financial Stability Board established this task force in 2015 following a request from the G20. The task force evaluates the financial impact on business management of the risks and opportunities associated with climate change, encouraging companies to disclose information related to corporate governance, strategy, risk management and indicators and targets.

1. Governance

Chaired by the Company's President and Representative Director, the Sustainability Committee meets more than once a year. With members that include Directors, the heads of each division, department, and branch office, and the presidents of affiliated companies, the Committee deliberates on and makes decisions relating to our response to societal issues such as climate change, and reports to the Board of Directors regarding important matters and the progress made in related initiatives.

Sustainability Organization Structure



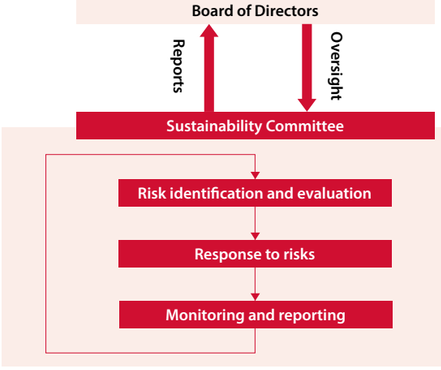
Main deliberation and reporting activities of the Sustainability Committee

- Formulation of policies, targets, and plans related to reducing environmental impact—such as the reduction of CO_2 emissions—and the efficient use of resources through initiatives such as water usage management, as well as monitoring progress
- Marine Resources Survey for the practice of responsible procurement and implementation of supplier surveys, analysis of results, and response to identified issues

2. Risk management

At the Sustainability Committee, we identify and evaluate major risks, based on the potential size of the impact and the likelihood/frequency of occurrence, and we formulate response strategies to prevent, avoid, mitigate, and minimize risks, as well as monitoring the progress made in implementing these strategies. The results of monitoring are reported to the Board of Directors, which oversees risk management.

Risk management process



3. Strategies

We have posited scenarios in which average global temperature rises by 1.5°C and 4°C respectively, and we have examined the associated risks and opportunities for our company's business a whole, and the response strategies that we can implement (in terms of mitigation and adjustment strategies).

The 1.5°C scenario assumes that the rise in average global temperature by the end of the 21st century compared to the situation prior to the Industrial Revolution is kept down to within significantly less than 2°C. Referencing scenarios formulated by the International Energy Agency (IEA) and the United Nations' Intergovernmental Panel on Climate Change (IPCC), we have examined the anticipated impact of the 1.5°C scenario by 2050.

The 4°C scenario assumes that decarbonization efforts are inadequate, with a continuing high level of dependency on fossil fuels, and that average global temperatures rise by at least 4°C. Referencing scenarios formulated by the IPCC, we have examined the anticipated impact of the 4°C scenario by 2050.

Risk and opportunity response measures, based on scenario analysis

1.5°C scenario

Risk categories			Impacts	Timing of impact*2	Extent of impact*3	Opportunities	Key response strategies
Transition risk*4	Policies / regulations	Strengthening of countries' regulations aimed at reducing greenhouse gas emissions	●Tightening of regulations, including the adoption of carbon pricing and/or the raising of carbon taxes ●Increased costs of complying with tighter regulations and higher container and packaging material costs	Short term	Large	●Promoting the switch to energy-saving machinery and equipment ●Reduced costs resulting from changes in packaging specifications	●Switching over to renewable energy ●Switching over to energy-saving machinery and equipment that uses natural refrigerants ●Reducing the amount of plastic used in packaging
		Strengthening of regulations governing fishing catches	●Reduction in the quantities of fish and shellfish caught or purchased	Medium term	Large	●Increased demand for farmed fish	●Expansion of the aquaculture business ●Utilization of underutilized fish ●Low-fishmeal and fish-oil aquaculture
	Reputation	Changes in investors' judgments and actions	●Weakening of the company's brand and image, with criticism on social media, etc.	Medium term	Moderate	●Enhancing the company's social value through promotion of sustainability-focused management ●Differentiating the company from its competitors by developing eco-friendly and ethical products	●Proactive disclosure of climate change response data ●Development of environmentally friendly products and increased use of certified products
		Changes in consumer behavior	●Increased demand for environmentally friendly products	Medium term	Large	●Increased demand for certified marine products and ethical products	●Development of environmentally friendly products and increased handling of certified marine products

*2 The evaluation criteria for the timing of impact are as follows: short term (within 2 years), medium term (3-5 years), and long term (6-20 years).
*3 The evaluation criteria for the extent of impact are as follows: Large (the impact on business and the likelihood/frequency of occurrence are assumed to be significant), Moderate (assumed to be moderate), and Low (assumed to be minor).
*4 Risks associated with the transition to a low-carbon society

4°C scenario

Risk categories			Impacts	Timing of impact	Extent of impact	Opportunities	Key response strategies
Physical risks*5	Chronic	Changes in the ocean environment (rising sea temperatures and rising sea levels)	●Increased procurement risk resulting from changes in the types of fish caught and reduction in catch	Long term	Large	●Marine product production that is not dependent on the sea	●Inland aquaculture
	Acute	Abnormal weather (Changes in rainfall and weather patterns)	●Obstacles to raw materials procurement and product supply caused by logistics disruptions ●Increased damage to aquaculture facilities and plant and cold storage buildings	Medium term	Large	●Increased demand for products with long storage life	●Risk-hedging through dispersal and adjustment of logistics hubs ●Strengthening the disaster resilience of aquaculture facilities, plants, and cold storage facilities

*5 Risks relating to natural disasters, etc. caused by climate change

4. Indicators and targets

In our "Gear Up Kyokuyo 2027" Medium-Term Business Plan, the Kyokuyo Group has announced that, based on our sustainability-conscious management, we will be proceeding with proactive measures to help solve society's problems through our business activities, for example by contributing toward the realization of carbon neutrality. In line with this policy, we have established the following indicators and targets, and we will be evaluating and managing our efforts to mitigate climate change related risk.

Target	Target year	Scope	Indicators	Response measures
CO_2 emissions reduction (Scope 1 + 2)	**2026**	Food plants, cold storage	Approximately 5% reduction (on an intensity basis) compared to FY2023 actual performance	●Activities, such as inspections, to reduce resource consumption in day-to-day business activities ●Adoption of energy-saving machinery when replacing existing equipment ●Installing solar panels ●Utilization of hybrid vehicles and electric vehicles
			Annual reduction of at least 1% (on an intensity basis) from FY2023 actual performance	
Reducing the amount of plastic used in packaging	**2030**	Food plants	Reducing the volume of plastic used in packaging by 30% (reference year: 2019, on an intensity basis)	●Switching over to materials with lower CO_2 emissions ●Utilization of non-tray packaging ●Reducing the size of packaging materials, etc.

Greenhouse gas emissions target

Target	Scope	Indicators
Total CO_2 emissions reduction (Scope 1 + 2)	Food plants	FY2026: 1% or more reduction (total volume basis) compared to FY2024 actual performance
	Cold storage	FY2026: 1% or more reduction (total volume basis) compared to FY2025 actual performance
	Laboratory, offices	FY2026: 3% or more reduction (total volume basis) compared to FY2025 actual performance

Greenhouse gas emissions performance

We aggregate greenhouse gas emissions according to the classifications shown below. For Scope 3, we are expanding the categories included in the aggregation, and Categories 2, 6, and 7 have been added beginning with FY2024 data.

Greenhouse gas emissions (GHG) performance

Category	Unit	FY2023	FY2024	FY2025	Scope of aggregation
Scope 1	t-CO_2	4,470	4,533	5,422	All sites * (At locations where wording such as "next page" appears)
Scope 2	t-CO_2	16,841	16,196	16,334	
Scope 3 Category 1	t-CO_{2eq}	662,896	750,465	930,027	Kyokuyo Co., Ltd. (non-consolidated)
Scope 3 Category 2	t-CO_{2eq}	—	5,650	1,883	
Scope 3 Category 4	t-CO_2	56,338	51,258	45,473	
Scope 3 Category 6	t-CO_2	—	1,453	1,415	
Scope 3 Category 7	t-CO_2	—	398	435	

Scope 1: Greenhouse gases emitted directly by the company itself (through the burning of fuel, and emissions from industrial processes)
Scope 2: Indirect emissions associated with electric power, heat, steam, etc. supplied by other companies (including electricity purchased from power companies, etc.)
Scope 3: Indirect emissions other than Scope 1 and 2 emissions (emissions from other companies related to the business activities)*6

*6 Category 1 "Purchased goods and services"; Category 2 "Capital goods"; Category 4 "Upstream transportation and distribution"; Category 6 "Business travel"; Category 7 "Employee commuting"

Scope

Site	Scope
Food plants	Shiogama Plant, Hachinohe Plant, and Hitachinaka Plant of Kyokuyo-Shokuhin Co., Ltd.; Oigawa Plant and Souemon Plant of Kyokuyo Suisan Co., Ltd.; Kyokuyo Foods Co., Ltd.; Kyokuyo Fresh Co., Ltd.; Kaiyo Foods Co., Ltd.; Ibusuki Shokuhin Co., Ltd.; Apex Kyokuyo Co., Ltd.; Jokki Co., Ltd.; and Pacific Scallop Co., Ltd.*7
Cold storage	Jonanjima cold storage, Tokyo cold storage, and Fukuoka cold storage of Kyokuyo Akitsu Reizo Co., Ltd.; and Cold Storage Section of Kyokuyo Suisan Co., Ltd.
Offices	Headquarters and branch offices of Kyokuyo Co., Ltd.; Kyokuyo Sougou Service Co., Ltd.; Kyokuyo Shoji Co., Ltd.; and Integrate System Service Co., Ltd.
Laboratory	Kyokuyo Supply Chain Management Division Laboratory*8

*7 Added to the scope of aggregation beginning in FY2025.
*8 Following the organizational restructuring on April 1, 2026, the Laboratory was placed under the supervision of the Supply Chain Management Division.

Achieving a Circular Society

Social Issues (background)

- Effective utilization of natural resources
- Reducing environmental impact associated with business activities

Kyokuyo Group's Approach

- Effective utilization of food waste
- Reduction of food loss
- Efficient use of water resources

Kyokuyo Group's Position and Policy

The Kyokuyo Group is underpinned by nature's bounty, and being able to utilize limited natural resources properly is vitally important for the sustainability of our operations. While proceeding with efforts to reduce waste and water usage, we are also striving to help realize a circular society by making effective use of by-product, etc.

Examples of the Kyokuyo Group's Approach to Achieve a Circular Society

Effective utilization of by-products

At Ibusuki Shokuhin Co., Ltd., which primarily produces seared skipjack, by-products such as shavings generated during the cutting process of frozen skipjack have been effectively utilized by outsourcing processing to an external company to produce neribushi, which is used in commercial dashi powder and other applications.



Neribushi

In April 2025, a new neribushi processing facility was established, enabling the Company to integrate the entire process—from the production of seared skipjack to the processing of neribushi—in-house. This will improve operational efficiency while further promoting the effective use of marine products across the Kyokuyo Group.

Reducing water consumption through equipment replacement at plant sites

At the Shiogama Plant of Kyokuyo Shokuhin Co., Ltd., we are working to reduce water consumption across the entire plant by replacing machinery such as the foreign matter removal equipment used in the production of shrimp fritters and Funwari Ebi Katsu, Shrimp Cutlet.





Previously, the plant used foreign matter removal equipment that discharged water after each use. This has been replaced with a model that recirculates water. Combined with additional water-saving measures, this initiative has resulted in a reduction of approximately 15 tons in daily water usage across the plant compared to the period prior to the equipment replacement.

Reducing food loss through "Imperfect Item Sales"

On our e-commerce site Kyokuyo Store, we periodically hold "Imperfect Item Sales," offering products—such as those nearing their best-before dates—at discounted prices.

Reducing food loss helps avoid wasting valuable resources such as water, energy, and labor used in the production, transportation, and storage of food products. It also contributes to measures against climate change by reducing greenhouse gas emissions associated with disposal.

The utilization of imperfect items represents a step toward a sustainable, environmentally conscious lifestyle. The Kyokuyo Group will continue to work together with customers to help realize a circular society.



*The banner image is subject to change.

Management of food waste and water consumption

The Kyokuyo Group has set the following targets for FY2026 towards the reduction of food waste and water consumption.

Items		Actual value FY2023	Actual value FY2024	Actual value FY2025	FY2026 target	Scope
Food waste output	Total volume (t)	4,605	4,673	4,788	Reducing emissions by at least 2% compared to actual performance in FY2025 (on an intensity basis)	Food plants
	Intensity (kg/t)	110.0	108.7	110.1		
Food waste recycling rate	(%)	100	100	100	Maintain the current 100% level	
Water consumption	Total volume (m³)	547,920	549,163	596,941	Reducing emissions by at least 1% compared to actual performance in FY2024	
	Intensity (m³/t)	13.1	12.8	13.7	Reducing emissions by at least 2% compared to actual performance in FY2024	

* For the scope of aggregation related to food plants, please refer to the Kyokuyo Group Sustainability Data Book p.6 URL https://www.kyokuyo.co.jp/en/ir/library/library_reports02/index.html

Creating a Comfortable Working Environment

Social Issues (background)

- Developing a workplace environment that supports diverse lifestyles
- Securing human resources in a declining population society
- Enhancing employee engagement

Kyokuyo Group's Approach

- Developing flexible systems that allow each employee to demonstrate their individuality and capabilities
- Ongoing improvement of salary levels
- Creating a workplace environment where employees can work with energy, positivity, and dedication in good health

Kyokuyo Group's Position and Policy

The Kyokuyo Group believes that enabling each employee to maintain both physical and mental well-being and to perform to their full potential in a comfortable working environment contributes to increased productivity and more efficient management. Guided by our corporate philosophy of "human respect," we are promoting health and productivity management and implementing various initiatives to create a workplace where employees find fulfillment in their work.

Creating a Comfortable Working Environment

Promoting Diversity and Developing Human Resources

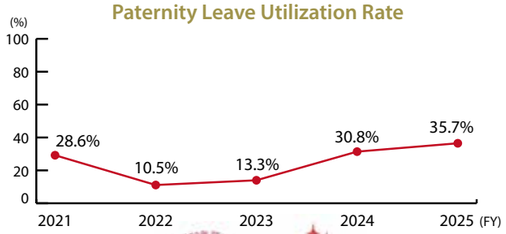
In addition to video-based training aimed at raising awareness throughout the Company, we actively support diverse career development through initiatives such as career design training for mid-career and senior female employees, with the aims of increasing the percentage of female managers and developing next-generation human resources.

Developing a Flexible and Comfortable Working Environment

To support employees' physical and mental well-being and their continued employment over the long term, we are expanding systems designed to promote work-life balance, including a paid leave system that allows leave to be taken in hourly increments and wellness leave for health-related needs.

We encourage the active participation of male employees in housework and childcare and we raise awareness of this issue through internal company newsletters, etc., working to create environment in which it is easy for male employees to take childcare leave.

Paternity Leave Utilization Rate



In 2023, Kyokuyo was awarded "Kurumin" certification from Japan's Ministry of Health, Labour and Welfare (MHLW) as a company supporting childcare, and also received "Eruboshi" certification (stage 2) from the MHLW as an outstanding enterprise in the promotion of female participation and advancement in the workplace.

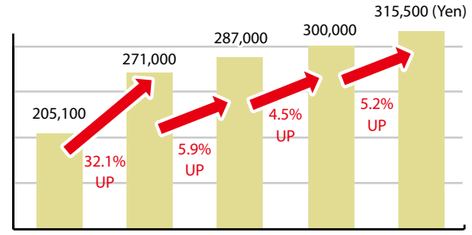
Improving Salary Levels

Under the management vision that employee well-being is essential to sustaining the Company's competitiveness, we revised our salary levels in response to recent price increases.

In fiscal 2026, we implemented an average monthly base salary increase of 14,000 yen for union members. Combined with an average regular salary increase of 6,700 yen, this resulted in a total average monthly salary increase of 20,700 yen. The starting salary was also raised to 315,500 yen.

Through these revisions, we aim to enhance employee motivation, support stable livelihoods, and further improve the work environment.

Starting Salary Increase Trends



Note: The figure for FY2022 includes average allowances. Figures from FY2023 onward exclude various allowances.

Promoting Health and Productivity Management

Kyokuyo established the Health Management Declaration in 2024 as the first step in its efforts toward health and productivity management.

We will be conducting various efforts based on this declaration.

Health and Productivity Management Declaration

(1) We will actively support employees' independent efforts to maintain and improve their own health.

(2) We will work towards early detection and prevention of diseases, and enhance our support system.

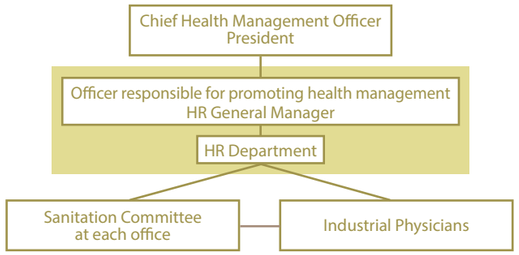
(3) We will work to create a comfortable working environment where each individual employee can fully demonstrate their abilities.

Purpose of Health and Productivity Management

Achieving Health and Productivity Management Declaration

- Employees are healthy both mentally and physically, and are able to demonstrate their abilities
- Improved employee productivity
- Improved corporate value

Health and Productivity Management Operational Structure



Prohibition of Smoking During Working Hours

To promote employee health and create a comfortable workplace environment, the Company prohibited smoking during working hours effective October 2025. The Company also shared information on the benefits of quitting smoking and support available through smoking cessation clinics to help employees who wished to quit do so at their own pace.

Through these initiatives, we aim to reduce the health risks of smoking, prevent unwanted exposure to secondhand smoke, and create a workplace environment where all employees can work in greater health and comfort.

Implementation of a Dietary Habits Seminar

To provide busy working people with an opportunity to learn practical tips for improving their dietary habits without undue difficulty, the Company invited a registered dietitian with specialist expertise to serve as the instructor and held a dietary habits seminar for employees working in Tokyo.

Under the theme "Habits to Help Prevent and Manage Lifestyle Diseases," the seminar gave participants an opportunity to learn practical information for daily life, including points to consider when planning balanced daily meals, ideas for healthier snacking, and healthier meal options available at convenience stores.

We will continue to promote initiatives that support both the physical and mental well-being of employees and create a work environment where they can stay motivated and engaged, while also striving to improve organizational productivity.



During the dietary habits seminar

Kyokuyo was recognized for the second consecutive year as a "Health & Productivity Management Outstanding Organization 2026 (Large Enterprise Category)" by the Ministry of Economy, Trade and Industry, in recognition of its proactive efforts in employee health management.

Promoting women's empowerment - A female manager



Supply Chain Management Division,
Laboratory Deputy General Manager
R&D Technical Management Section,
Laboratory Section Manager

Creating a workplace environment that fosters technological innovation across the Kyokuyo Group and encourages young employees to take on challenges

Since joining the Company, I have focused on the research and development of processed marine products, such as grilled fish and fish fillets, while also being involved in transferring production to plants in Japan and overseas and providing technical guidance. The experience I gained from launching a frozen sushi rice production line in Thailand and a grilled fish production line for convenience stores has become a valuable asset built through hands-on work at production sites. I subsequently broadened the scope of my work by taking on analytical and testing duties, among other responsibilities.

I was appointed section manager amid a succession of personnel transfers from the Laboratory associated with the launch of a new plant and the establishment of a new department. Although I wondered whether I would be up to the role and whether I would still be able to preserve the time I spend with my children, my supervisor's words, "People grow into their roles," gave me the confidence I needed to take on the challenge. With the understanding and support of those around me, I am able to balance work and family life, as I can readily seek advice when I reach an impasse and take paid leave when attending school events.

Going forward, I hope not only to improve existing products but also to create technologies that will support the Kyokuyo Group's future and devote greater effort to building an environment where younger employees can readily take on challenges.

Recruiting human talent from diverse backgrounds - A mid-career hire

Leveraging experience to take on the challenge of enhancing our corporate brand's value through public relations



Corporate Administration Division
Stakeholder Relations Department
Public Relations Section

In my previous position, I worked as a producer at an advertising agency, where I was involved in branding for companies and products, among other responsibilities. Although I found the work rewarding, I became increasingly eager to dedicate myself to enhancing the value of a corporate brand from within and decided to make a career change. During the interview process, I heard about the challenges and aspirations of the department and section managers at the time, and the broad scope of opportunities to apply my experience was what ultimately convinced me to join the Company. I am currently responsible for internal and external public relations activities and all aspects of branding.

The Public Relations Section is responsible for developing a deep understanding of the business environment and the Company's future direction and communicating this information to stakeholders, making it essential to gather information from across the Company. When I first joined the Company, my industry knowledge and understanding of the Company were still limited, as was my internal network, and I therefore encountered difficulties and uncertainty in carrying out my work. However, by proactively participating in a wide range of projects and accumulating experience, I was able to build connections across departmental boundaries and deepen my understanding of the Company. I now receive more requests for advice and inquiries, and I find it rewarding that people both inside and outside the Company increasingly think of me as someone to turn to for public relations matters. I still have a long way to go in fulfilling my mission in public relations. Going forward, I will remain mindful of opportunities to broaden the scope of my work and of the need to stay flexible as I contribute to the sustained enhancement of brand value.

Diversified workstyles - Male employees' acquisition of childcare leave

Smooth business operations enabled by multi-person coverage



Freshfoods Business Division
Tuna Business Department
Tuna Sales Section 3

While raising our first child, I became acutely aware of how much my wife was struggling with the physical strain following childbirth while also coping with our baby's nighttime crying and household responsibilities. This experience convinced me that supporting my wife's physical and mental well-being and sharing childcare responsibilities were essential, so following the birth of our second child, I decided to take approximately one month of childcare leave.

At the time I took leave, I was responsible for coordinating sales of fresh bluefin tuna, managing processing operations, and purchasing products from external suppliers. Since my day-to-day work often required immediate decisions and some tasks depended heavily on my individual knowledge and experience, I was concerned that problems might arise during my leave. However, with the cooperation of my team, operations continued without any major issues, allowing me to devote myself to childcare.

Caring for our first child and our newborn was all that the two of us could manage, which reaffirmed for me the need for childcare leave. I also feel that being able to spend irreplaceable time together with my children during this brief period when they are still young was immensely valuable. This experience made me realize that childcare leave benefits not only the individual but also the organization as a whole by improving productivity through measures such as reducing reliance on specific individuals for particular tasks. It also showed me that creating a workplace environment that supports diverse workstyles provides a foundation for sustainable growth.



The siblings get along wonderfully!

Comment from supervisor at the time



Freshfoods Business Division
Tuna Business Department
Deputy General Manager

When he approached me about taking one month of childcare leave, my first thought was how his responsibilities would be covered during his absence. This was because he handled sales and processing operations for fresh bluefin tuna farmed in Shikoku and coordinated with related departments, work that required specialized knowledge and experience.

However, because we had been moving toward a two-person operating structure since the previous fiscal year and had established a backup system while dividing responsibilities, we were able to maintain operations without any major issues. I believe that our ongoing efforts to build a structure in which each area of work is handled by at least two people, including by making work processes visible and assigning a backup person to every task, enabled us to respond smoothly in this case.

As we advance, we will continue to prevent work from becoming dependent on specific individuals and ensure that operations are managed under a two-person structure. Through these efforts, we hope to create a workplace environment where everyone can take childcare leave with peace of mind.

Contributing to a healthy and happy lifestyle and food culture

Social Issues (background)

- Changes in food lifestyles (increased demand for "time-savings," such as quicker and easier preparation)
- Labor shortages in medical, care, and social welfare facilities
- Global rise in health consciousness and increased demand for protein sources
- Decline in seafood consumption in Japan

Kyokuyo Group's Approach

- Contributing to labor reduction and shorter cooking times at food preparation sites through efforts such as developing products that meet customer demands
- Focusing on quality ingredients and great taste, to deliver value through "Food to enjoy life" and food that promotes "Feeling well"
- Implementing campaign to increase fish consumption among employees: "If you're a seafood company, eat fish!"

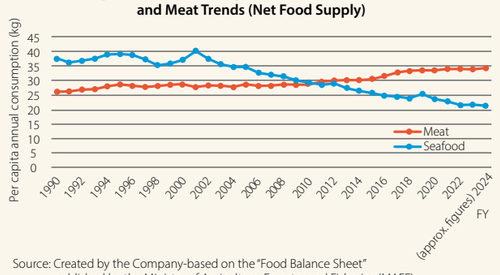
Kyokuyo Group's Position and Policy

In Japan, per capita annual consumption of edible marine products has been declining since peaking in fiscal 2001, against a backdrop of changing lifestyles, prices, and the time and effort required for preparation, leading consumers to move away from seafood. However, seafood contains high-quality animal protein and, in addition to being low in calories, is rich in nutrients such as vitamins and essential minerals. It also contains functional ingredients such as DHA and EPA, making it highly valuable as a food that supports a healthy diet.

The Kyokuyo Group undertakes ongoing R&D and product development work, emphasizing the creation of time value in line with customers' needs for time-efficient, convenient solutions, and providing "food to enjoy life" by responding to customers' growing health consciousness and meeting their requirements for protein sources.

Having put in place a production and sales network that extends throughout the globe, Kyokuyo provides delicious food that can be consumed safely and reliably not only to people in Japan but to people all over the world; we aim to realize our corporate philosophy of contributing to a healthy and happy lifestyle and food culture.

Per Capita Annual Consumption of Edible Marine Products and Meat Trends (Net Food Supply)



Source: Created by the Company-based on the "Food Balance Sheet" published by the Ministry of Agriculture, Forestry and Fisheries (MAFF)

Creating Time Value

Helping to solve society's problems, such as labor shortages, by creating products that take into account customer feedback

Staff shortages in medical, care and social welfare facilities constitute an increasingly serious problem for society.

Based on the concept of making food easy to prepare, in 2013 Kyokuyo Group launched the Dandori Jozu product line of frozen food products, featuring products that have had the bones removed, etc., and which can be cooked directly from frozen.

In developing products in the Dandori Jozu product line, we draw on valuable input from nutritionists and other professionals working at medical, care, and social welfare facilities. By continuing to undertake the development of new products, and providing products made from different ingredients with differing flavors and shapes, we are aiming to expand our product lineup in this range.

Going forward, we will continue with similar initiatives, striving to help solve the social problems relating to staff shortages.

Examples of products in the Dandori Jozu product line



Food to Enjoy Life



Launch of "canned ingredients" designed for cooking

Traditionally, many canned fish products have been developed as ready-to-eat side dishes. In spring 2026, the Kyokuyo Group launched "Boiled Mackerel in Water " and "Boiled Sardines in Water " with no added salt as new canned ingredients designed for cooking and made so that even the bones can be eaten. These products save consumers the effort of preparing fish from scratch, can be eaten without concern about bones, and contain no added salt, making it easy to adjust the seasoning and use them in a variety of fish dishes. These features have made the products popular with consumers across a wide range of age groups, and sales have been strong.

This helps address issues such as saving time and increasing fish consumption. Going forward, the Kyokuyo Group will continue striving to enrich people's diets by developing products that offer both convenience and health benefits.

Simple and delicious low-salt diets

Having an excessively high salt intake is one of the factors leading to high blood pressure; it is estimated that around 50% of Japanese adults aged 20 or over suffer from high blood pressure. Controlling one's salt intake, without cutting out salt completely, over an extended period can help people avoid developing high blood pressure, which puts them at increased risk of developing lifestyle diseases.*1 Japan's National Cerebral and Cardiovascular Center is currently promoting the concept of "KARUSHIOH" ("light on the salt"), which focuses on the new concept of reducing salt usage to better bring out the taste of ingredients. Products which pass inspection as conforming to the "KARUSHIOH" certification criteria are authorized to display the "KARUSHIOH" mark.

The Kyokuyo Group has been developing reduced-salt products, including "KARUSHIOH" certified products. Kyokuyo's "Karushioh" deboned Coho Salmon Fillet with Flying Fish Stock and "Karushioh" deboned Coho Salmon Fillet with Kelp Extract have 30% less sodium chloride equivalent*2 than conventional products, and feature first-class soup stock and carefully selected ingredients that really bring out the flavor. These products embody the Japanese tradition of eating fish with exquisite soup stocks, and the savory flavor of the flying fish soup stock and kelp extract ensures that they not only provide value in terms of health benefits, but are also very tasty.

The Kyokuyo Group will continue to develop and propose products that are delicious, healthy, and socially meaningful, supporting people's lives through solutions that respond to evolving needs.







*1 Source: Ministry of Health, Labour and Welfare, e-healthnet health information website for lifestyle disease prevention – "High Blood Pressure"
Japanese link: https://kennet.mhlw.go.jp/information/information/food/e-02-002

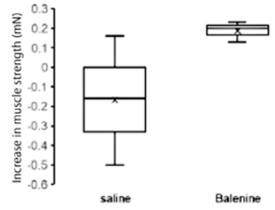
*2 Comparison with salted salmon based on the 2020 Standard Tables of Food Composition in Japan (Eighth Edition).

Collaboration on the development of products containing balenine, a nutrient with anti-fatigue properties

Balenine is a substance which is believed to prevent fatigue and which may help prevent dementia. As such, balenine is drawing attention for its potential to help improve quality of life among Japanese people, who are living in a high stress, rapidly-aging society.*3 Only a limited number of marine species contain significant volumes of balenine. Previously, only baleen whales were thought to contain balenine. In collaboration with the Fisheries Technology Institute, Japan Fisheries Research and Education Agency, analyzed the flesh of opah (moonfish) by-catch from the long line of an oceangoing fishing vessel, and discovered the presence of balenine at a higher concentration than in baleen whales.*4 We are currently continuing collaborative research into the functional properties of balenine with several research institutions and have now confirmed that consuming balenine can increase muscle strength.*5

We will continue this research to help support healthy and happy lifestyles.

*3 Source: Fisheries Technology Institute, Japan Fisheries Research and Education Agency; Research Trends, Major research results published by Fisheries Technology Institute, No.16 (2017)
Japanese link: https://warp.ndl.go.jp/web/20250709232819/nrifs.fra.affrc.go.jp/ugoki/pdf/ugoki_0016(all).pdf



*4 Source: Fisheries Science, Vol. 84, No. 6, "Analysis of Balenine in Muscle Extract of Opah Lampris Guttatus with an Automatic Amino Acid Analyzer"
Japanese link: https://www.jstage.jst.go.jp/article/suisan/84/6/84_18-00010/_pdf/-char/ja

*5 The figure on the left shows the rate of increase in muscle strength in mice orally administered saline (left) or balenine (right) for a specified period, with an increase observed in the mice administered balenine. This study is based on a joint research report by the Kyokuyo Laboratory and Nagasaki University.

Employee campaign to increase fish consumption: "If you're a seafood company, eat fish!"

In recent years, amid a continuing decline in fish consumption, the Kyokuyo Group has worked to promote and encourage greater fish consumption by offering convenient, time-saving products, guided by its purpose of "Contributing to people's lives and the planet through foods with a focus on fish, for a more sustainable world ."

Alongside these efforts, and with questions such as "Are Kyokuyo employees themselves actually eating fish?" and "Why not start spreading the movement from within Kyokuyo?" in mind, we launched an employee campaign to increase fish consumption titled "If you're a seafood company, eat fish!" in fiscal 2024. Our main initiatives include distributing fish-based bento lunches and other items free of charge, displaying posters within the Company to promote fish consumption, and placing tabletop displays featuring regularly updated "useful fish facts" in business meeting booths and conference rooms. As the campaign has gained traction, some departments have begun proactively serving fish-based bento lunches at internal meetings, further expanding the movement to increase fish consumption.

Date	Details
March 2025	Bento box featuring fried yellowtail simmered in sauce
July 2025	Unagi no Kabayaki (Glaze-grilled Eel)
December 2025	Pizza topped with shrimp
February 2026	Ehomaki sushi roll with seafood fillings





Providing Safe and Reliable Products

Social Issues (background)	Kyokuyo Group's Approach
■ Growing consumer emphasis on food safety and reliability ■ Increasing demand for initiatives to improve quality	■ Establishing a system to ensure the supply of safe and reliable products ■ Providing accurate product information ■ Providing prompt and sincere customer response in the event of product complaints, etc.

Basic Policy for Quality Assurance

Providing Safe and Reliable Products

We make providing safe and reliable products to customers our top priority and build, maintain, and continuously review system to achieve this.

Compliance With Laws and Regulations

We comply with the Food Sanitation Act and all other food-related laws and regulations. We also comply with the voluntary agreements we have established.

Providing Accurate Information

We communicate products information to customers accurately and clearly.

Customer Service With Integrity

When there are accidents or complaints involving products we carry, we act quickly to prevent the spread of damage, investigate the cause, create countermeasure, and report to customers.

Enhancing Food Safety

Food defense, which aims to protect against deliberate efforts to contaminate food by criminals or terrorists, is vitally important in the food industry. All of our plants have drawn up food defense rules based on guidelines that the Quality Assurance Department played a central role in formulating, and we are proceeding with the strengthening of relevant management systems.

Major Categories of Kyokuyo Food Defense Guidelines

- Organization Management
- Facility Management
- Human Factor of Employees
- Management of Storage and Retrieval
- Human Factor of Outsiders

Initiatives to Improve Quality

With the aim of improving product quality at all our plants, every year since 1986 we have held the Kyokuyo Cooperation Association Technical Research Meeting, which brings together the partner companies contracted to process our products. We share explanations and requests related to reports of complaints that have been addressed to the Company, and our response to changes in food-related laws and regulations and food labeling laws, while also exchanging and sharing information on topics such as sanitation management methods at each plant, as well as examples of successful and unsuccessful practices.

Kyokuyo Cooperation Association Technical Research Meeting

- Quality control
- Elimination of insects and mice
- Lectures on inspection equipment
- Lectures on microbe inspection and the sharing of other relevant information

Initiatives to Improve Quality

The Kyokuyo Group works to achieve quality assurance. These activities center on our Quality Assurance Department and prioritize the procurement of safe and reliable products. In order to manufacture safe and reliable products, members of staff from our Quality Assurance Department directly visit processing subcontractors in Japan, as well as processing subcontractors overseas that do not have onsite quality control staff, in order to conduct audits and provide guidance. At processing subcontractors in China, Vietnam, and Thailand, product quality control specialists are permanently stationed onsite, where they work to provide for product quality and sanitation management.
For further information on our quality assurance system, please refer to our website.

URL https://www.kyokuyo.co.jp/en/company/point/reliability/index.html



Partner plant in China





Group company in Thailand

Group company in Vietnam



Securing Food Safety Certification

Kyokuyo Foods Co., Ltd., which manufactures more than 6,000 tons of frozen foods—mainly Ocean King (imitation crab meat) annually, implements HACCP management (the foundation for food safety) and has secured FSSC 22000 food safety certification. By undergoing periodic auditing by a third-party certification body and implementing ongoing improvement activities to maintain this certification, Kyokuyo Foods is aiming to enhance food quality and take the entire organization to an even higher level.
Going forward, we will be striving to ensure that the Group as a whole supplies products that embody safety and reliability.





Contributing to Local Communities

Social Issues (background)

- Population decline
- Declining birthrate and aging population
- Deterioration of regional economies

Kyokuyo Group's Approach

- Proactive engagement with local communities aimed at revitalizing regional society

Kyokuyo Group's Position and Policy

We strive to understand and respect the culture, customs, and traditions of the local communities where we operate. By deepening communication, we aim to build mutual trust and coexist with local communities. Through our business activities, we also address issues related to local communities and the global environment, contributing to regional development.

Acceptance of Off-campus Educational Visits

The Kyokuyo Group provides opportunities for students who will lead the next generation to gain real-world experience.

For junior high and high school students

In fiscal 2025, we provided students from eight schools nationwide with an overview of our company and introduced topics such as marine environmental issues, product development, and the rewarding aspects of our work. We answered students' questions using specific examples drawn from everyday life, helping to deepen their understanding.

For university students

Kyokuyo Shokuhin Co., Ltd. conducted a plant tour and lecture for eight fourth-year students in the Department of Health and Nutrition, Faculty of Human Sciences, Sendai Shirayuri Women's College, as part of a Food Product Development course. A Kyokuyo Shokuhin employee who served as the instructor carefully answered questions about the ingredients used in croquettes sold at retail and the manufacturing process, providing a practical learning experience that included a tasting.



Going forward, we will continue to provide students with opportunities to discover the enjoyment of "learning through firsthand experience and thinking for themselves" in environments outside their schools and universities.

Contributing to the Local Community by Providing Hometown Tax Return Gifts

Kyokuyo Foods Co., Ltd. produces imitation crab meat and fish sausages, including approximately 7,000 tons of imitation crab meat annually, equivalent to around 10% of Japan's imitation crab meat consumption. It provides imitation crab meat as a return gift under the Hometown Tax program of Matsuno Town, Ehime Prefecture.



Ibusuki Shokuhin Co., Ltd., which primarily produces seared skipjack, supplies the seared skipjack to Ibusuki City, Kagoshima Prefecture as a return gift under the city's Hometown Tax program.





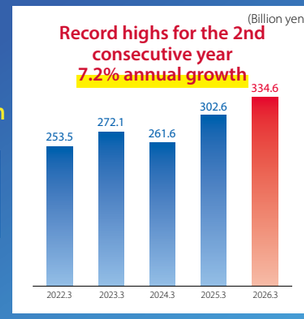
The Kyokuyo Group contributes to the development of regional society through its business activities, including the promotion of local industries and job creation.

Financial Non-Financial Highlights

Financial Highlights

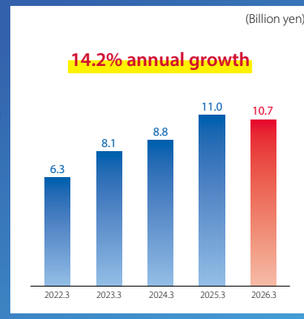
Net sales 334.6 billion yen

Y-o-Y up
31.9 billion yen
(+10.5%)



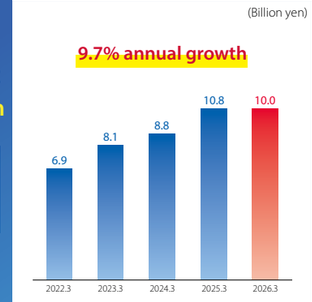
Operating profit 10.7 billion yen

Y-o-Y down
0.3 billion yen
(-3.1%)



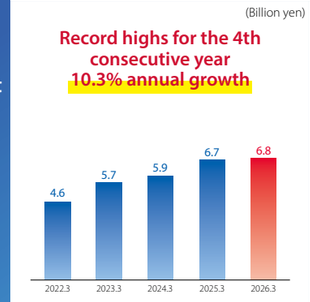
Ordinary profit 10.0 billion yen

Y-o-Y down
0.8 billion yen
(-7.6%)



Profit attributable to owners of parent 6.8 billion yen

Y-o-Y up
0.1 billion yen
(+1.5%)



Point

- **Net sales and profit attributable to owners of parent both hit all-time highs.**
- **Operating profit and ordinary profit remained above 10.0 billion yen.**
- **Profitability improved, with operating profit growing at an annual rate of 14.2% over the past five fiscal years, approximately twice the rate of net sales growth.**

Non-Financial Highlights

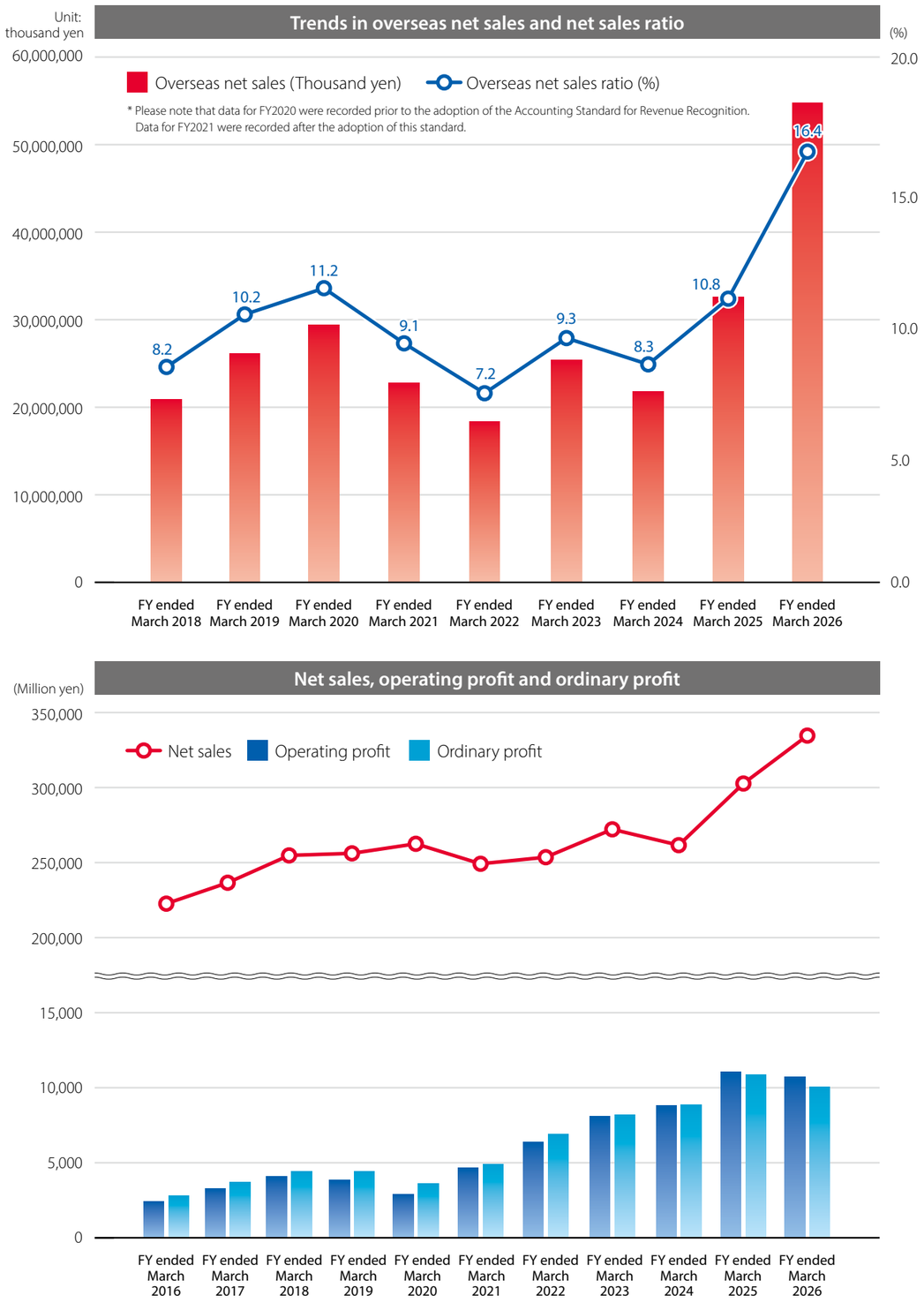
Strengthening our partnerships with stakeholders

A comfortable working environment for employees

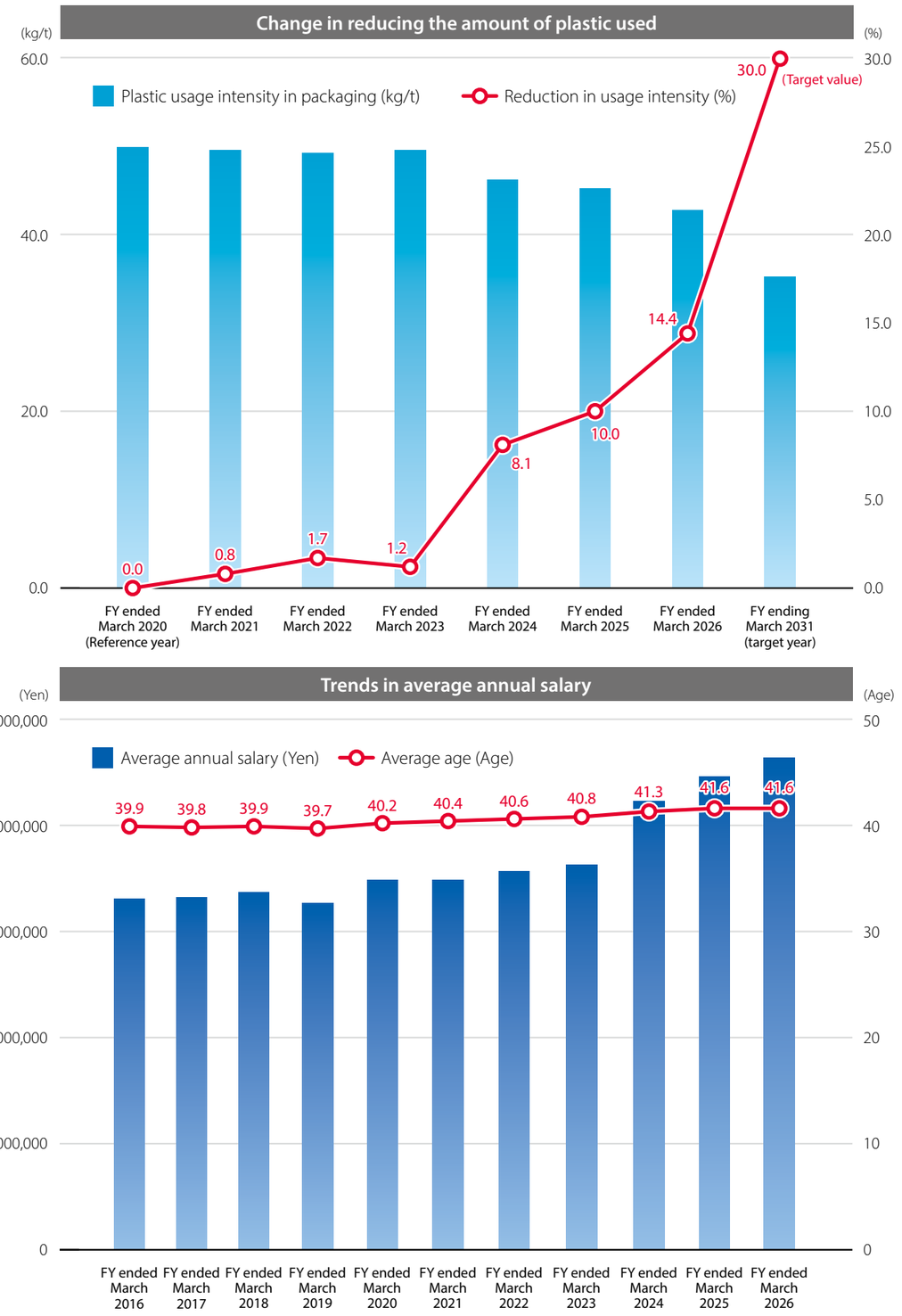
- **Smoking prohibited during working hours (Implemented October 2025)**
  - ▶ **We aim to protect employee health and enhance employee engagement by creating an even more comfortable working environment.**
- **Average monthly wage for union members increased by 14,000 yen; starting salary raised to 315,500 yen (April 2026)**
  - ▶ **We aim to enhance employee motivation, support stable livelihoods, and further improve the work environment.**

Performance Data

● Financial Data



● Non-Financial Data



Overview by Business

In FY ended March 2026, the second year of the Medium-Term Business Plan "Gear Up Kyokuyo 2027," the Japanese economy remained on a moderate recovery trend, supported by improvements in employment and income conditions and the effects of economic measures. On the other hand, concerns persisted over the impact on the economy of U.S. policy developments and unstable international conditions, and the outlook remained uncertain. In both the marine product and food industries, the business environment remained challenging as production costs, including raw material prices, increased and rising prices heightened consumers' tendency to economize.

Against this backdrop, net sales reached a record high for the second consecutive fiscal year, operating profit and ordinary profit remained above 10.0 billion yen, and net profit reached a record high for the fourth consecutive fiscal year.

Market environment and FY ended March 2026 performance

Marine Products Business



Trout salmon from Chile (Manten Salmon)

Sales up

Profit down

[Sales in Japan]
- Although sales volume declined, mainly for salmon and shrimp, due to weakened consumer sentiment amid rising prices, we focused on expanding sales of other fish species.
  Salmon and shrimp: Sales volume declined due to weakened consumer sentiment amid rising prices.
  Fish roe and crab: Sales increased during the year-end sales season and other periods.
  Scallops: Sales remained steady on continued firm demand.
  Mackerel: Although sales volume declined due to a sharp rise in market prices, sales increased, mainly for processed products.
  Northern ocean fish: Sales increased through efforts to expand sales of processed products such as Atka mackerel and Alaska pollock, contributing to net sales.

[Overseas Business]
- Exports grew due to increased sales of scallop products and mackerel and sardines for processing and feed.
- Local operations in overseas markets expanded in scale, but profit fell short of plan.

Freshfoods Business


Hon Maguro no Kiwami -Domestically farmed bluefin tuna

Sales up

Profit up

[Tuna & skipjack sales business]
- Sales and profits increased, driven mainly by growth in frozen bluefin tuna, yellowfin tuna, southern bluefin tuna, and processed products.

[Overseas purse seine fishing business]
- Performance was challenging in the first half, and although full-year sales increased due to rising market prices and a recovery in catch volume, profit declined.

[Aquaculture business]
- We focused on expanding sales by leveraging the quality advantage of domestically farmed tuna produced within the Group.

[Sushi and sashimi business]
- In addition to increased sales to conveyor belt sushi restaurants, we expanded sales to mass-market retailers, resulting in increases in both sales and profits.

Processed Food Business



(Top) Ocean King Shittori Marine Fiber (Imitation crab meat)
(Bottom) Shrimp cutlet

Sales down

Profit up

[Frozen food for industrial use]
- Sales and profit of boneless fillets and other products fell due to fiercer competition from lower-priced imports and price hikes prompted by higher raw-material costs. However, higher sales volumes of imitation crab meat and fried items offset the decline, keeping overall sales and profit on par with the previous year.

[Frozen food products for home use]
- Higher seafood raw-material prices and increased production and selling costs drove declines in both sales and profit.

[Canned foods]
- Stronger sales of our core mackerel cans, as well as tuna and saury cans, lifted both sales and profit.

[Snacks and seafood delicacies]
- Price adjustments and higher raw-material costs led to declines in both sales and profit.

Logistics Business


Kyokuyo Akitsu Reizo Co., Ltd.'s Tokyo Office

Sales up

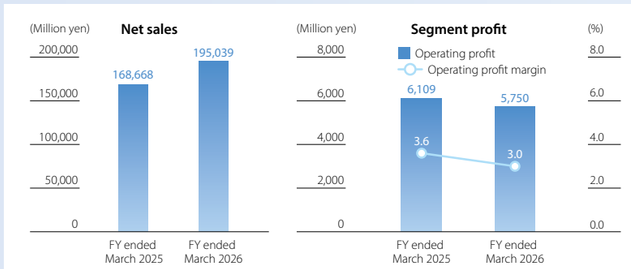
Profit up

[Cold storage business]
- Higher inbound volume and increased cargo turnover drove sales growth.

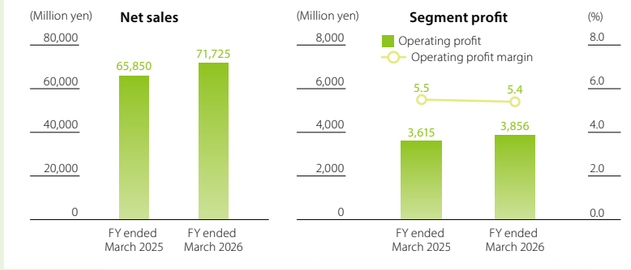
[Consigned forwarding business]
- Profit improved after implementing price revisions that reflected higher operating expenses and other costs.

Net sales / Segment profit (consolidated)

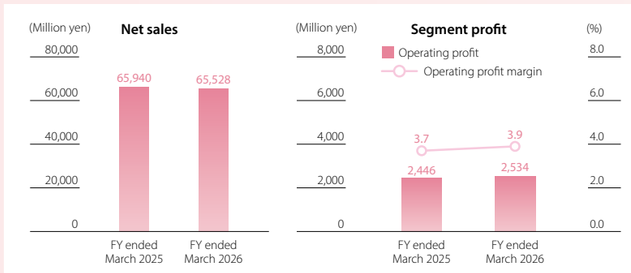
Marine Products Business



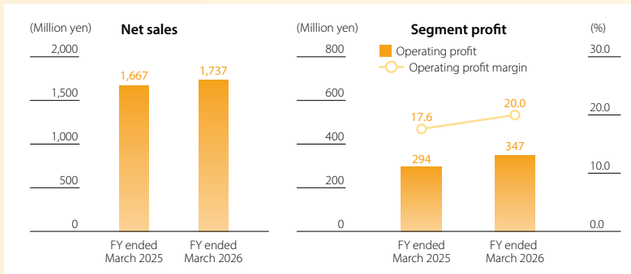
Freshfoods Business



Processed Food Business



Logistics Business



FY ended March 2026 policies

- Ensure a stable supply of marine products by strengthening procurement capabilities and access to resources through stronger relationships with suppliers and investments.
- Expand the handling volume of major fish species by strengthening information-gathering and proposal capabilities as "Kyokuyo—the fish experts."
- Expand overseas sales and profit by strengthening collaboration between overseas subsidiaries and the head office.

- Expand the business by leveraging our seamless system covering everything from raw material procurement to processing and sales.
- Increase sales and expand the business by strengthening collaboration within the Group in line with customers' overseas expansion and proposing products that accurately address customer needs.
- Stabilize the business by considering shorter-cycle aquaculture and strengthening collaboration across the Group.

Overall Processed Food Business
- Secure profit through low-cost operations.
- Focus on the development and sales of products for ready-made meals and home cooking.

<Frozen Foods>
- For industrial use: Focus on expanding sales of products from our own plants through the development of convenient pre-fried products and new products.
- For home use: Expand the business by increasing production capacity at the core plant in western Japan and strengthening cost competitiveness through lower logistics expenses.

<Shelf-Stable Foods>
- Focus on sales of fish sausages and pouched tuna products.

- Increase sales by proposing combined storage and delivery services.

The company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc., and all figures are presented based on the application of this standard and related adjustments.

Data Section

Marine Products Business

As "Kyokuyo—the fish experts," we will leverage our marine product procurement capabilities and wealth of information to strengthen our proposal capabilities for customers, aim to achieve industry-leading handling volumes in key categories, and expand the scale of our business.

Control over Marine Products Business Segment
Director
Chief of Division, Marine Products Business Division
Atsushi Hattori



Strengths

- "Group-wide integrated system" from procurement to processing and sales
- Knowledge and know-how accumulated in each of the Group's segments
- Networks in and outside Japan built up over a period of many years
- Volumes handled that are among the highest in the industry (including Norwegian mackerel, Atka mackerel, Chilean coho salmon, shrimp, and salmon roe products, etc.)

Business opportunities

- Increased global demand for marine products resulting from rising health consciousness
- Growing demand for marine products that have been caught, farmed, and/or processed in an environmentally friendly way
- Increased supply of farmed marine products

Risks

- Smaller catches and purchasing volumes for wild products resulting from tighter fishing regulation aimed at safeguarding natural resources
- Increased procurement risk due to changes in the marine environment, including rising seawater temperatures and sea levels
- Increased geopolitical risk arising from abrupt policy shifts and military actions by the United States

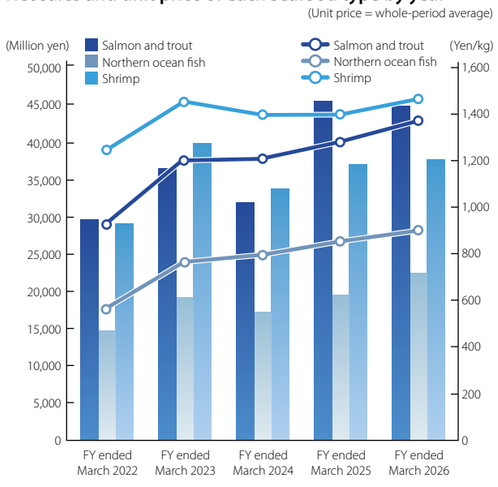
Areas of focus

- Ensure a stable supply of marine products by strengthening procurement capabilities and access to resources through stronger relationships with suppliers and investments.
- Expand the handling volume of major fish species by strengthening information-gathering and proposal capabilities as "Kyokuyo—the fish experts."
- Expand overseas sales and profit by strengthening collaboration between overseas subsidiaries and the head office.

Business overview by segment (April 2025 to March 2026)

In FY ending March 2026, under the theme of "Becoming Japan's No.1 fish retailer," we worked to expand the handling volume of marine products through initiatives such as the cultivation of new business partners.
In domestic sales, amid persistently high marine product prices, overall sales volume declined, particularly for mainstay products such as salmon and shrimp, due to weakened consumer sentiment caused by rising prices. Meanwhile, negotiations for the procurement and sale of high-value products such as fish roe and crab progressed smoothly, resulting in increased sales during the year-end sales season and other periods. Scallops remained firm, supported by continued solid overseas demand. For mackerel, although sales volume declined as market prices rose sharply, sales increased, mainly for processed products. We also worked to expand sales of northern ocean fish, and increased sales of processed products such as Atka mackerel and Alaska pollock contributed to net sales.
In overseas business, exports increased, driven by growth in sales of domestically processed scallop products and mackerel and sardines for processing and feed. In local overseas operations, the company acquired in the previous fiscal year contributed to sales. In contrast, sales of products such as sushi toppings in Thailand remained strong, and local subsidiaries in North America and Europe increased their handling volumes, resulting in an expansion of the overall scale of the business. However, overall business profit fell short of plan due to factors including lower operating rates at processing plants in Europe caused by insufficient raw material supplies and upfront costs associated with the start-up of new plants in the United States and Vietnam.

Marine Products Business <Non-consolidated>
Net sales and unit price of each seafood type by year



FY Ended March 2026 performances

Net sales: **195.039** billion yen (up 15.6% year-on-year)
Operating profit: **5.750** billion yen (down 5.9% year-on-year)

FY ended March 2026 consolidated overseas net sales performance

Net sales: **54.7** billion yen (up 68.3% year-on-year) (Overseas net sales ratio: 16.4%)

Main products handled


Frozen fish (Atka mackerel, etc.)



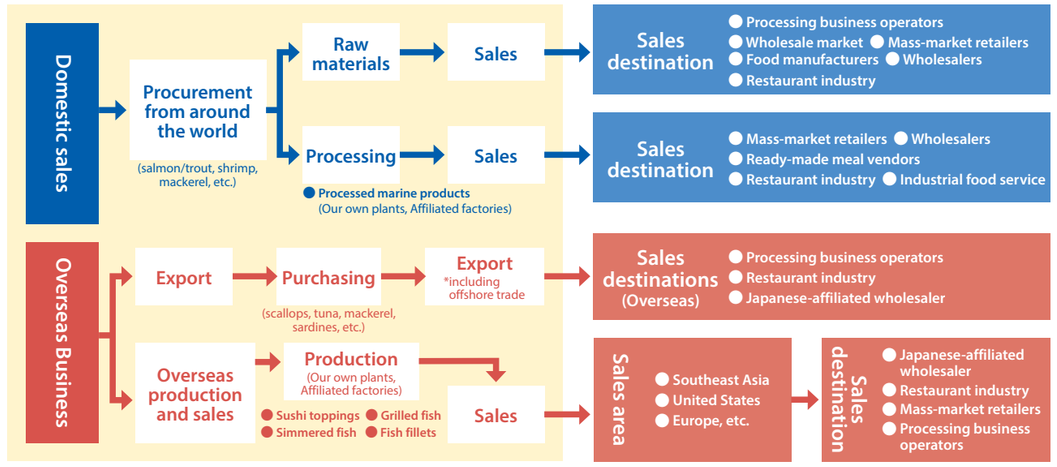
Salmon, trout


Crab



Shrimp

Marine Products Business Flow



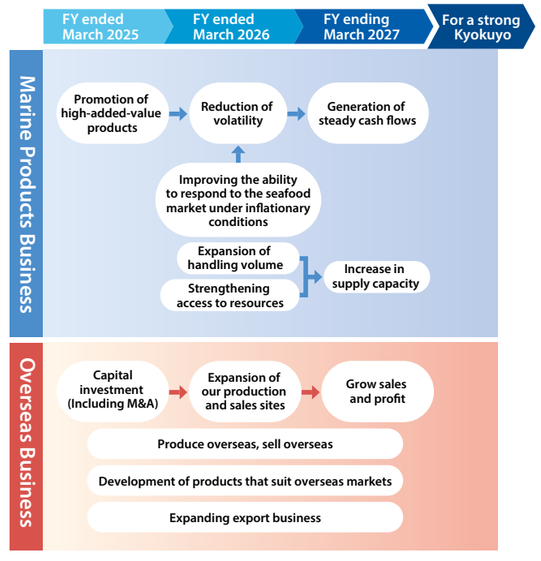
FY ending March 2027 policies

We will strengthen our procurement capabilities and access to resources through closer collaboration with suppliers in Japan and overseas, investments, joint ventures, and other initiatives, thereby establishing a stable supply system for marine products. As "Kyokuyo—the fish experts," we will leverage our wealth of information and proposal capabilities to achieve industry-leading handling volumes for major fish species and expand the scale of our business.
Overseas, under our policy of "produce overseas, sell overseas," we will accurately capture market needs at our production and sales sites in North America, Europe, and Southeast Asia, while strengthening collaboration between our local subsidiaries and the head office to expand sales and improve profit.

FY ending March 2027 forecast

Net sales: **186.6** billion yen
Operating profit: **6.0** billion yen

Roadmap to Medium-term Business Plan Targets



Data Section

Freshfoods Business

Leveraging our integrated business structure spanning catching, aquaculture, processing, and sales, we will work to strengthen competitiveness and expand market share.

Control over Freshfoods Business Segment
Managing Director
Chief of Division, Freshfoods Business Division
Keizo Yamaguchi



Strengths

- A seamless system within the Group covering everything from raw material procurement (including catching, aquaculture, and purchasing) to processing, and sales
- Initiatives in fisheries to produce and raise fish, enabling high quality and a stable supply

Business opportunities

- Increased supply of farmed marine products
- Heightened global demand for Japanese food and rising demand for raw foods materials in overseas markets
- Expansion in the number of overseas locations operated by Japanese restaurant chains

Risks

- Reduction in and depletion of natural marine resources
- Labor shortages affecting processing plants where the work is difficult to mechanize
- Rapidly changing customer needs
- Rising feed costs and increased mortality of farmed fish due to environmental changes

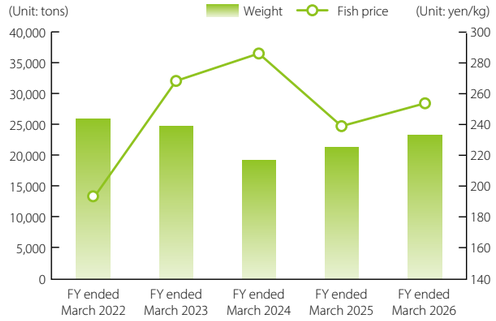
Areas of focus

- Expand the business by leveraging a seamless system covering everything from raw material procurement (including catching, aquaculture, and purchasing) of skipjack and tuna to processing and sales
- Promote proposal-based sales tailored to customer needs and expand the business by strengthening collaboration within the Group in line with customers' overseas expansion

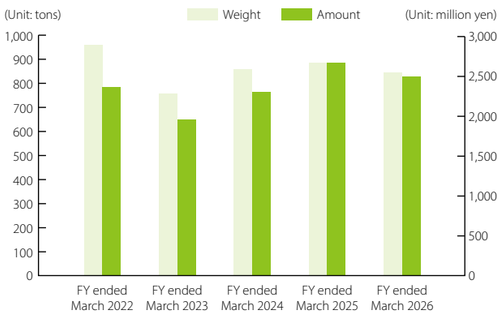
Business overview by segment (April 2025 to March 2026)

Sales of frozen bluefin tuna, for which market prices recovered compared to the previous fiscal year, remained strong and contributed to increased sales and profits. In addition, sales expanded for processed products such as skipjack—available at attractive prices due to a bountiful catch—and frozen bigeye tuna and minced raw tuna products, which were relatively affordable compared to the previous year. Overall, sales grew, particularly in the foodservice sector, including conveyor belt sushi restaurants, as well as in mass retailers. In the overseas purse seine fishing business, although the volume of catches increased, both sales and profits declined due to falling unit prices. In the aquaculture business, sales of domestically farmed bluefin tuna expanded through reinforced partnerships with business partners. Despite rising feed costs, profitability improved due to the dissolution of the full-cycle tuna aquaculture joint venture and increased productivity in red sea bream and other farmed species.
For products for raw consumption, particularly sushi toppings, we promoted sales, focusing on products from our overseas plants, but sales of high-end items such as eel declined due to sharp market price increases. In addition, the impact of the previous fiscal year's price revisions continued, resulting in decreased sales—mainly in the conveyor belt sushi channel—but profitability improved.

Overseas purse seine fishing business Trends in catch weight & fish price (Fish price = whole-period average)



Bluefin tuna farming business Trends in sales weight and amount



FY Ended March 2026 performances

Net sales:	**71.725** billion yen (up 8.9% year-on-year)
Operating profit:	**3.856** billion yen (up 6.7% year-on-year)

Main products handled



Skipjack products



Tuna products

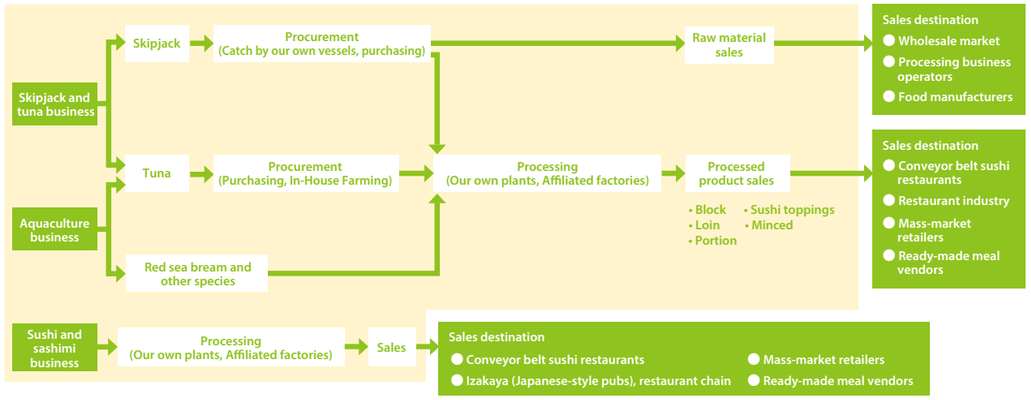


Sushi toppings



Farmed red sea bream and other species

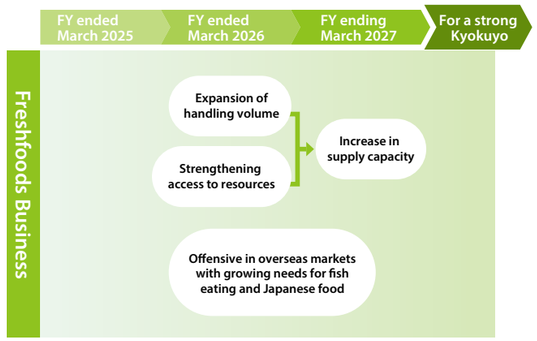
Freshfoods Business Flow



FY ending March 2027 policies

In the Freshfoods Business, we will leverage the strengths of our seamless system covering everything from the catching and procurement of skipjack and tuna to processing and sales to further expand the business. In addition, to support the overseas expansion of our business partners, we will further strengthen collaboration within the Group and propose products that accurately address customer needs, thereby expanding sales of our mainstay products and driving business growth.
In aquaculture, we will seek to stabilize the business by considering short-cycle aquaculture and strengthening collaboration across the Group.

Roadmap to Medium-term Business Plan Targets



FY ending March 2027 forecast

Net sales:	**84.5** billion yen
Operating profit:	**4.4** billion yen

Data Section

Processed Food Business

We will focus on securing profit through low-cost operations and developing and selling products for the ready-made meal and foodservice markets.



Control over Processed Food Business Segment and Processed Marine Products Business Segment
Managing Director
Chief of Division, Processed Food Business Division and Processed Marine Products Business Division

Masaki Miyama

Strengths

- A global network of processing facilities, and a worldwide procurement capability
- Industry-leading market share in imitation crab meat products

Business opportunities

- Rising demand for food that can be prepared quickly and conveniently, in response to lifestyle changes and shortages of kitchen staff

Risks

- A trend toward consumer frugality in response to rising prices
- Increased production costs resulting from rising energy prices, raw material costs, and distribution costs

Areas of focus

- Expand earnings by building a sales structure centered on products of own plants
- Develop and sell products based on the principle of "more affordable and more delicious"
- Expand sales through initiatives in new product categories

Business overview by segment
(April 2025 to March 2026)

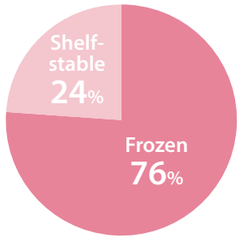
In frozen food for industrial use, sales and profit of products such as boneless fillets declined due to intensified competition with low-priced overseas products and price increases resulting from higher raw material costs. However, increased sales volumes of imitation crab meat and fried products such as shrimp fritters enabled sales and profit to remain on par with the previous fiscal year.
In frozen foods for home use, sales declined as mainstay simmered and grilled fish products continued to struggle, particularly those for convenience stores, due to rising marine raw material prices. Profit declined as rising production costs and selling expenses put pressure on profitability.
In canned goods, although sales of skipjack and sardine cans declined, sales of our mainstay canned mackerel, as well as tuna and saury cans, increased, resulting in higher sales and profit.
For snacks and seafood delicacies, sales declined following price revisions, while profit decreased due to continued increases in raw material prices and higher selling expenses.

FY Ended March 2026 performances

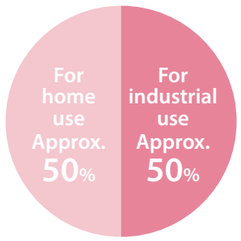
Net sales:	**65.528** billion yen (down 0.6% year-on-year)
Operating profit:	**2.534** billion yen (up 3.6% year-on-year)

Breakdown of net sales for FY ended March 2026

By temperature range



By industry type



Main products handled



Frozen food for industrial use



Frozen food for home use

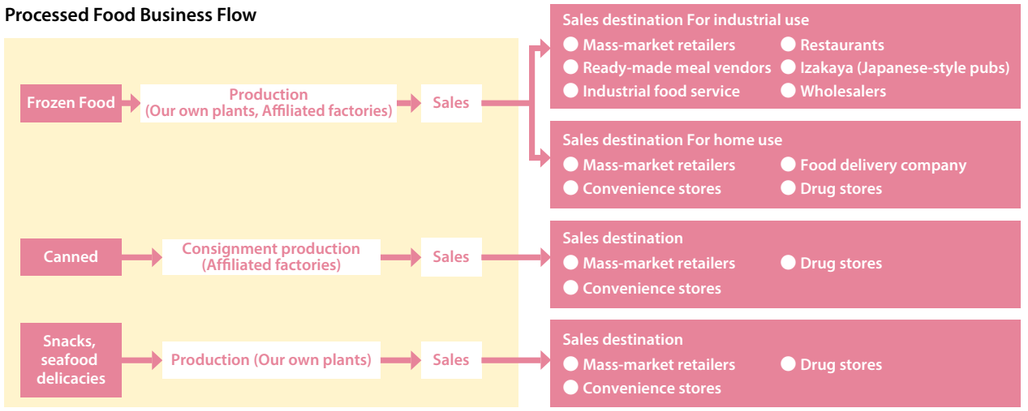


Shelf-stable foods, health products



Snacks, seafood delicacies

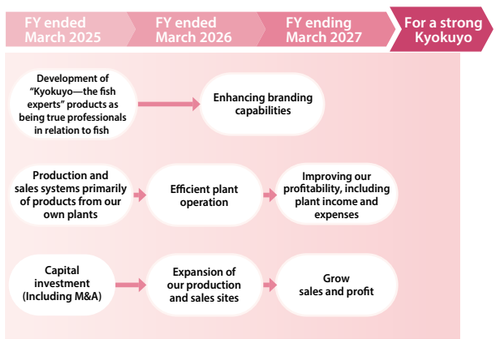
Processed Food Business Flow



FY ending March 2027 policies

In the Processed Food Business, amid continued declines in real wages and growing consumer frugality as households seek to protect their budgets, we will develop and sell products based on the principle of "more affordable and more delicious," focusing primarily on products for ready-made meals and home cooking.
For industrial use products, we will expand sales of products from the Group's plants through the development of convenient products and new products.
For home use products, we will expand the business by increasing production capacity at the Kurayoshi Plant of Kyokuyo-Shokuhin Co., Ltd., our core plant serving western Japan, and enhancing competitiveness through measures such as reducing logistics expenses.
For shelf-stable foods, we will focus on sales of newly introduced fish sausages and pouched tuna products, while continuing to proactively pursue new product categories.

Roadmap to Medium-term Business Plan Targets



FY ending March 2027 forecast

* The "Dandori Jozu" business has been transferred to the Processed Marine Products Business Segment.

Net sales:	**63.0** billion yen
Operating profit:	**2.3** billion yen

Data Section

Processed Marine Products Business

By combining the raw material procurement capabilities of the Marine Products Business with the customer-focused sales capabilities of the Processed Food Business, we aim to achieve the undisputed No. 1 position in market share.

Control over Processed Food Business Segment and Processed Marine Products Business Segment
Managing Director
Chief of Division, Processed Food Business Division and Processed Marine Products Business Division

Masaki Miyama



Strengths

- Stable supply of products through ongoing raw material procurement from partners
- "Group-wide integrated system" from raw material procurement to processing and sales

Business opportunities

- Growing demand for marine products that have been caught, farmed, and/or processed in an environmentally friendly way
- Rising demand for food that can be prepared quickly and conveniently, in response to lifestyle changes and shortages of kitchen staff

Risks

- Increased geopolitical risk arising from abrupt policy shifts and military actions by the United States
- Increased production costs resulting from rising energy prices, raw materials costs, and distribution costs

Areas of focus

- Expand the business by leveraging the raw material procurement capabilities of the Marine Products Business and the sales capabilities of the Processed Food Business to propose products that anticipate customer needs
- Expand production of fillets, grilled fish, simmered fish, and other products in the "Dandori Jozu" series
- Develop and propose new products that anticipate market needs

FY ending March 2027 policies

The Processed Marine Products Business is a new business launched in the second half of the previous fiscal year to expand sales of fish portions and fillets previously handled by the Marine Products Business, as well as fillets, grilled fish, and simmered fish from the Processed Food Business. We will combine the raw material procurement capabilities of the Marine Products Business with the customer-focused sales capabilities of the Processed Food Business to propose products that anticipate market needs. We will also expand production of the "Dandori Jozu" series at our overseas plants, centered on Kyokuyo Vina Foods, the Group's first production site in Vietnam, as we aim to achieve the undisputed No. 1 position in market share.

Main products handled



"Dandori Jozu" mackerel grilled with salt



"Dandori Jozu" basa fillet

FY ending March 2027 forecast

Net sales:	28.5 billion yen
Operating profit:	1.0 billion yen

Processed Marine Products Business Flow

Procurement → Processing (Our own plants, Affiliated factories) → Sales
- Fish fillets • Portioned fish
- Grilled fish • Simmered fish

Sales destination
- Medical, nursing care, and welfare facilities
- Restaurant industry
- Wholesalers
- Industrial food service
- Mass-market retailers

Data Section

Logistics Business

We will work to increase sales by strengthening the combined sales of warehouse storage and delivery services, while also promoting operational efficiency.

Control over Logistics Business Segment
Managing Director
Chief of Division, Supply Chain Management Division

Masahiko Oda



Strengths

- A comprehensive business framework that integrates product manufacturing and sales with warehousing and logistics
- Accumulated know-how enabling storing and delivering products safely, securely, and appropriately
- Logistics network covering the whole of Japan

Business opportunities

- Improving operational efficiency through the effective utilization of digital technology
- Expansion in cold chain demand driven by increasing demand for frozen foods and sushi toppings
- Supply shortages in the cold and frozen storage industry due to aging facilities and fluorocarbon regulations

Risks

- Increase in refrigerated storage operating costs due to rising energy costs
- Inadequate delivery capability resulting from workstyle reforms in the logistics and transportation sector
- Increased labor and logistics costs due to labor shortages

Areas of focus

- Proposals combining warehouse storage and delivery services
- Improving load efficiency
- Reducing waiting times
- Reducing cargo handling time through pallet transport and other measures

Business overview by segment

(April 2025 to March 2026)

In the cold storage business, sales increased due to higher inbound volume and increased cargo turnover.

In the consigned forwarding business, profit improved as we implemented price revisions that reflected operating expenses and other costs.

FY ending March 2027 policies

We will strengthen information gathering on transport companies and shippers and work to increase sales by proposing combined warehouse storage and delivery services, while improving operational efficiency through measures such as improving load efficiency, reducing waiting times, and shortening cargo handling times through pallet transport.

FY Ended March 2026 performances

Net sales:	1.737 billion yen (up 4.2% year-on-year)
Operating profit:	0.347 billion yen (up 18.0% year-on-year)

FY ending March 2027 forecast

Net sales:	1.8 billion yen
Operating profit:	0.350 billion yen

Logistics Business Flow

Procurement from overseas marine product suppliers
Our own plants (Processed marine products, frozen food)
External partners (Frozen marine products/ meat products, frozen food)
→ Storage (Cold storage) → Delivery arrangements →
Delivery Destination
- Delivery centers for mass-market retailers and wholesalers
- Product sales destination for each segment

Consolidated Summary Over 11-Years

Consolidated basis	Transition of Medium-term Business Plans	Value Up Kyokuyo 2018				Change Kyokuyo 2021		Build Up Platform 2024			Gear Up Kyokuyo 2027	
	Unit	FY ended March 2016	FY ended March 2017	FY ended March 2018	FY ended March 2019	FY ended March 2020	FY ended March 2021	FY ended March 2022	FY ended March 2023	FY ended March 2024	FY ended March 2025	FY ended March 2026
Profit and loss status												
Net sales	(Million yen)	226,626	236,561	254,783	256,151	262,519	249,197	253,575	272,167	261,604	302,681	334,612
Cost of sales	(Million yen)	205,854	213,292	231,180	232,446	238,274	223,620	225,558	241,139	228,213	263,861	293,266
Gross profit	(Million yen)	20,771	23,268	23,603	23,705	24,245	25,576	28,016	31,027	33,390	38,819	41,346
Operating profit	(Million yen)	2,433	3,273	4,066	3,831	2,918	4,657	6,392	8,105	8,806	11,079	10,731
Operating profit margin	(%)	1.1	1.6	1.6	1.5	1.1	1.9	2.5	3.0	3.4	3.7	3.2
Ordinary profit	(Million yen)	2,814	3,709	4,437	4,434	3,608	4,879	6,904	8,182	8,856	10,857	10,031
Ordinary profit margin	(%)	1.2	1.6	1.7	1.7	1.4	2.0	2.7	3.0	3.4	3.6	3.0
Profit attributable to owners of parent	(Million yen)	1,799	2,422	3,211	2,914	2,037	3,838	4,634	5,782	5,936	6,740	6,841
Financial status												
Total assets	(Million yen)	94,608	97,386	106,297	114,673	111,184	116,331	130,460	146,301	160,720	182,125	214,128
Net assets	(Million yen)	23,065	25,391	29,423	31,996	32,593	39,975	42,174	46,966	58,860	68,355	78,868
Interest-bearing debt	(Million yen)	50,679	51,441	51,476	58,023	55,173	51,174	58,121	68,973	74,625	80,746	92,992
Equity ratio	(%)	23.9	25.6	27.2	27.7	29.4	34.7	32.7	32.5	36.7	36.5	36.1
Cash flow												
Cash flows from operating activities	(Million yen)	2,689	601	3,201	(4,118)	9,410	5,997	(1,128)	(6,243)	(1,721)	5,843	(745)
Cash flows from investing activities	(Million yen)	(5,114)	(1,998)	(1,179)	(2,494)	(2,931)	(527)	(5,225)	(2,338)	(5,707)	(9,036)	(5,216)
Free cash flow	(Million yen)	(2,425)	(1,397)	2,022	(6,612)	6,479	5,470	(6,353)	(8,581)	(7,428)	(3,193)	(5,961)
Cash flows from financing activities	(Million yen)	2,482	105	255	5,958	(4,817)	(4,627)	5,743	9,011	8,524	2,149	9,079
Year-end balance of cash and cash equivalents	(Million yen)	4,030	2,572	4,977	4,621	6,313	7,097	6,539	7,042	8,452	7,514	11,047
Key management indicators												
Net assets per share	(yen)	2,149.67	2,378.09	2,679.00	2,941.26	3,046.26	3,753.90	3,969.73	4,436.27	4,965.39	5,600.14	6,511.31
Net income per share	(yen)	171.33	230.66	304.29	269.63	188.53	356.95	430.83	539.10	548.61	567.48	576.02
Return on equity (ROE)	(%)	8.0	10.2	11.9	9.6	6.3	10.5	11.2	12.8	11.1	10.7	9.5
Return on assets (ROA)	(%)	3.1	3.9	4.4	4.0	3.2	4.3	5.6	5.9	5.8	6.3	5.1
D/E ratio	(Ratio)	2.2	2.0	1.8	1.9	1.7	1.4	1.4	1.5	1.3	1.2	1.2
R&D expenses	(Million yen)	268	280	290	304	343	336	317	338	365	332	354
Capital investment	(Million yen)	6,387	2,566	1,543	2,201	3,160	2,456	5,064	2,292	5,623	8,124	3,009
Dividend payout ratio	(%)	29.2	26.0	19.7	26.0	37.1	22.4	20.9	18.5	18.2	22.9	26.0
Dividend per share	(yen)	50	60	60	70	70	80	90	100	100	130	150

* Please note that data for FY2020 were recorded prior to the adoption of the Accounting Standard for Revenue Recognition. Data for FY2021 were recorded after the adoption of this standard.

Corporate Information / Investor Information (As of March 31, 2026)

Corporate profile

Company name	Kyokuyo Co., Ltd.
Headquarters address	3-3-5, Akasaka, Minato-ku, Tokyo, 107-0052, Japan
Established	September 3, 1937
Stated capital	7,527 million yen
Major businesses	Export, import, domestic purchasing, and sales of marine products, and manufacture and sales of processed and frozen foods
Employees	2,542 (consolidated) / 769 (non-consolidated)
Number of consolidated companies	36

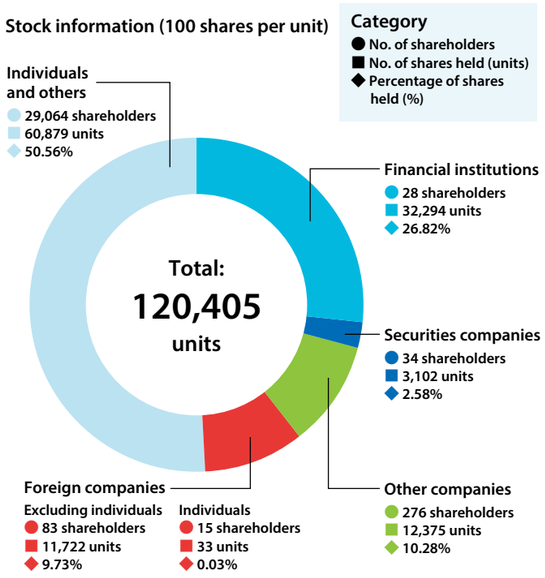
Stock information

Total number of shares the company is authorized to issue	43,700,000
Total number of shares issued	12,078,283
Number of shareholders	32,536

Major shareholders

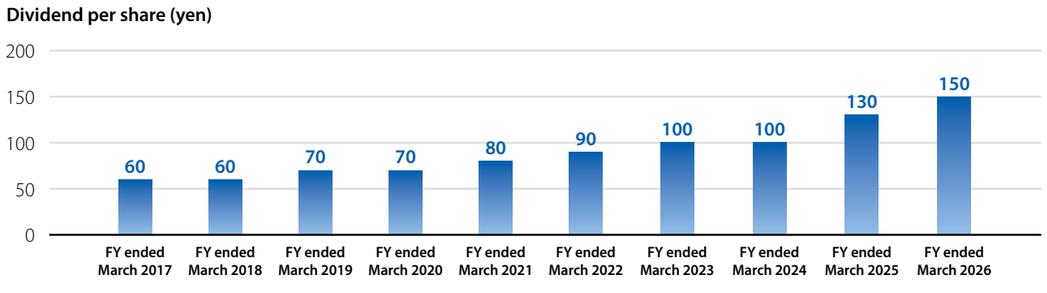
Shareholder's name	No. of shares held (thousands)	Share-holding ratio (%)
The Master Trust Bank of Japan, Ltd.	1,418	11.86
Resona Bank, Limited	523	4.37
The Norinchukin Bank	445	3.72
Custody Bank of Japan, Ltd.	379	3.17
Toyo Seikan Group Holdings, Ltd.	315	2.63
Noriaki Nakamura	171	1.43
Kyokuyo Akitsukai	155	1.30
JP MORGAN CHASE BANK 385781	146	1.22
Kyokuyo Employee Shareholding Association	144	1.21
Taiji Iwasaki	142	1.18

Distribution of shares by shareholder type



* Shares of less than one unit: 37,783 shares
* The 124,453 shares of treasury stock are included above under "Individuals and others" as 1,244 units and under "Shares of less than one unit" as 53 shares.

Dividends (10-year period)



List of Group Companies (As of April 1, 2026)

● Company name
● Capitalization / Share of equity held by parent company
● Description of business

Kyokuyo Akitsu Reizo Co., Ltd.
80 million yen/100%
Cold storage business

Kyokuyo Shoji Co., Ltd.
60 million yen/100%
Purchasing and sale of marine, agricultural and meat products

Kyokuyo Shokuhin Co., Ltd.
100 million yen/100%
Manufacturing of frozen and chilled food products

Kyokuyo Suisan Co., Ltd.
192 million yen/100%
Overseas purse seine fishing business, processing skipjack tuna and other tuna, and cold storage business

Kyokuyo Sougou Service Co., Ltd.
10 million yen/100%
Insurance agency business

Kyokuyo Foods Co., Ltd.
30 million yen/100%
Manufacturing of frozen and chilled food products

Kyokuyo Fresh Co., Ltd.
90 million yen/100%
Operations include processing and sale of tuna and other seafoods

Kyokuyo Marine Ehime Co., Ltd
60 million yen/100%
Operations include aquaculture, processing, and sale of tuna and others

Kyokuyo Marine Farm Co., Ltd.
30 million yen/100%
Operations include aquaculture, processing, and sale of tuna and others

Ibusuki Shokuhin Co., Ltd.
50 million yen/95%
Operations include processing and sale of skipjack tuna and other seafoods

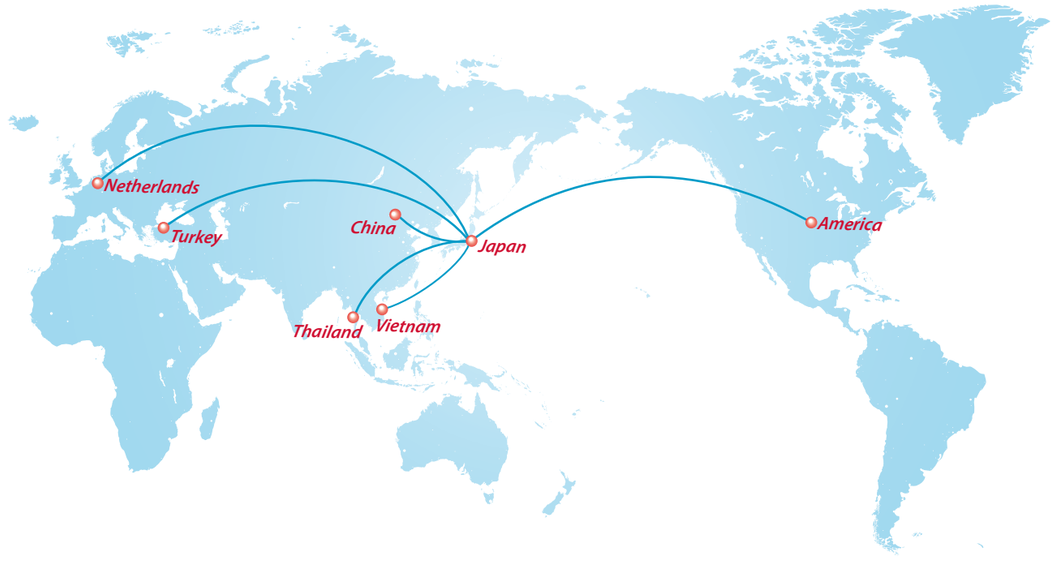
Integrate System Service Co., Ltd.
50 million yen/55%
Development and maintenance of software

Apex Kyokuyo Co., Ltd.
50 million yen/100%
Manufacturing and sales of processed marine products and prepared foods

Kaiyo Foods Co., Ltd.
40 million yen/100%
Operations include processing and sale of salmon and other seafoods

Kuroshio Suisan Co., Ltd.
5 million yen/70%
Operations include aquaculture, and sale of red sea bream and others

Jokki Co., Ltd.
60 million yen/100%
Manufacturing and sale of seafood delicacies



Kyokuyo America Corporation
15.6 million US dollars/100%
Purchasing and sale of marine products, and others

QINGDAO KYOKUYO INTERNATIONAL CO., LTD.
0.2 million US dollars/100%
Purchasing and sale of marine products, and others

Kyokuyo Europe B.V.
0.25 million euro/100%
Oversight/management of European subsidiaries

KYOKUYO GLOBAL SEAFOODS Co., Ltd.
350 million baht/100%
Manufacturing and sales of frozen foods

Kyokuyo Vina Foods Co., Ltd
225,000 million dong/100%
Manufacturing of processed marine products