


## ● Shareholders Information

<b>Business year:</b>	April 1 to March 31 next year
<b>Ordinary general meeting of shareholders:</b>	June of each year
<b>Record date for exercising voting rights at the ordinary general meeting of shareholders:</b>	March 31
<b>Term-end dividend record date:</b>	March 31
<b>Media for public notice:</b>	The Company displays public notices by electronic means. Public notices are displayed online on the Company's website: <a href="https://www.kyokuyo.co.jp">https://www.kyokuyo.co.jp</a> . However, if the Company is unable to issue public notices by electronic means due to accidents or any other unavoidable circumstances, public notices will be displayed in the Nihon Keizai Shimbun newspaper published within Tokyo Prefecture.
<b>Shareholders list manager and special purpose bank accounts manager:</b>	Mitsubishi UFJ Trust and Banking Corporation
<b>Contact information:</b>	Transfer Agency, Mitsubishi UFJ Trust and Banking Corporation 1-1 Nikko-cho, Fuchu-shi, Tokyo Phone: 0120-232-711 (toll-free in Japan) Mailing Address: Transfer Agency, Mitsubishi UFJ Trust and Banking Corporation 137-8081, New Tokyo Post Office P.O.B. No. 29

(Note)

- 1.Procedures for shareholders' requests for changes of address and share purchases by stock companies shall, in principle, be performed by the account management agencies (securities firms etc.) for shareholders. Please ask the securities firm etc. where you have your account about the procedures. The shareholders list manager (Mitsubishi UFJ Trust and Banking Corporation) cannot handle the procedures.
- 2.For procedures concerning shares in your special purpose bank account, please ask Mitsubishi UFJ Trust and Banking Corporation, which is the special purpose bank accounts manager. Branches of Mitsubishi UFJ Trust and Banking Corporation nationwide are able to accept inquiries.
- 3.Dividends that you have not received will be paid at the head office or branches of Mitsubishi UFJ Trust and Banking Corporation.

Our website	SNS	
 <b>Top page</b> 	 <b>YouTube</b> 	 <b>X (formerly Twitter)</b> 

KYOKUYO CO., LTD.

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



# BUSINESS REPORT

**101**st Business Report  
April 1, 2023 ▶ March 31, 2024



We are pleased to present

this business report

for the 101st fiscal term

(term ended March 2024).

We would like to take

this opportunity

to thank our shareholders

for their support.

President and Representative Director

**Makoto Inoue**



## Corporate Philosophy

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

The current fiscal year saw improvement to the food services and tourism industry situation, although the business climate remained severe due to concerns about the impact of the ALPS treated water discharge, as well as persistently high energy and raw material prices and logistics costs. Amid such an environment, the Kyokuyo Group took action in this final year of our medium-term business plan “Build Up Platform 2024” to expand the Processed Food and Overseas Businesses, and to reinforce our finance and human resource bases.

Now, from this fiscal year we have started “Gear Up Kyokuyo 2027,” our new three-year medium-term business plan. Having defined our purpose as

“Contributing to people’s lives and the planet through foods with a focus on fish, for a more sustainable world,” we are working to expand our business foundation on a platform built by the previous medium-term business plan, and endeavoring to strengthen the partnerships we have with our stakeholders. In addition, in March of this year we executed a public stock offering to carry out capital investment in overseas production bases, and we will further strengthen our financial base and establish a structure that enables an aggressive investment in growth.

We would like to ask our shareholders for their continued support.



## Key Consolidated Performance Indicators

### Points

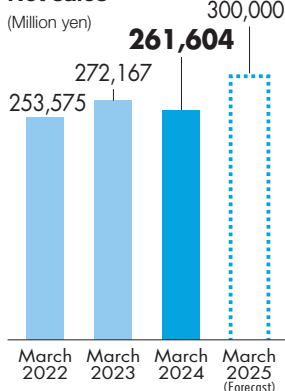
- Profits reached record highs for two consecutive fiscal years
- Substantial improvement in profit for Marine Products and Processed Food Businesses

## Key Consolidated Financial Indicators

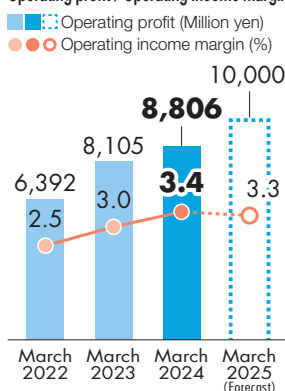
### Points

- The equity ratio rose due to record-high profits and an increase in equity capital through a public stock offering, etc.

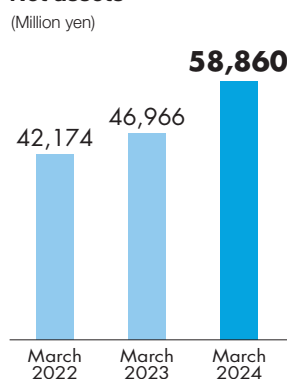
### Net sales



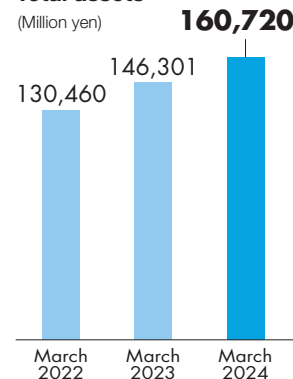
### Operating profit / Operating income margin



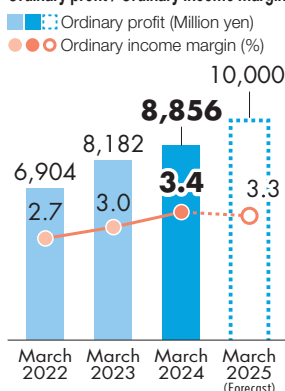
### Net assets



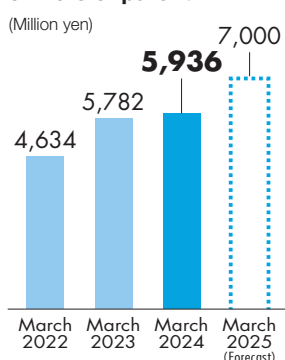
### Total assets



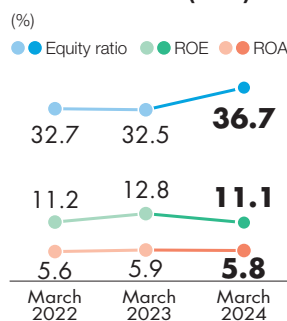
### Ordinary profit / Ordinary income margin



### Profit attributable to owners of parent



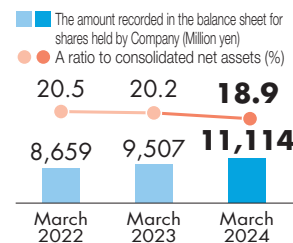
### Equity ratio / Return on equity (ROE) / Return on asset (ROA)



### Reference

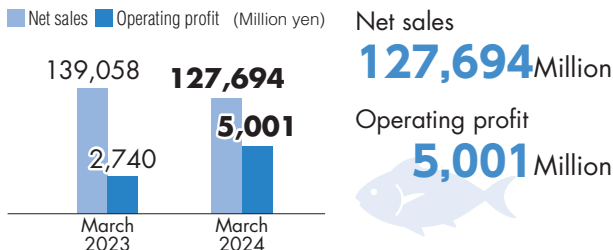
#### Cross-Shareholdings

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



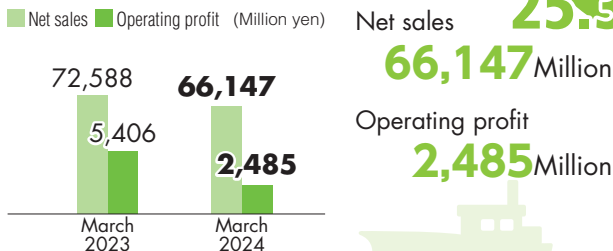
# SEGMENT INFORMATION

## Marine Products Business



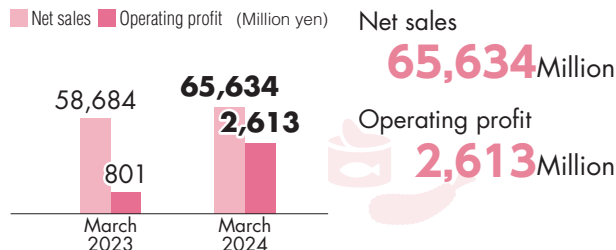
Utilizing our domestic and international procurement network constructed since we started out as a fishing company in 1937, we have stable sources of high-quality marine products from around the world and provide processed products such as fish fillets, crabs, and peeled shrimp. As for the Overseas Business,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

## Freshfoods Business



This segment consists of the sushi and sashimi business, led by sushi toppings, the tuna business, which handles everything from catching skipjack and purchasing tuna to processing and sales, and the aquaculture business. Sushi toppings are not only for Japan, but also promoted for sale to overseas franchises of conveyor-belt sushi restaurants. For skipjack, we have our own procurement capability with Group-owned vessels, and we farm tuna in Shikoku and ship it under our original brand name "Hon Maguro no Kiwami." Our subsidiary in Kochi Prefecture engages in aquaculture of red sea bream, and we are working to expand the variety of farmed fish and strengthen access to resources.

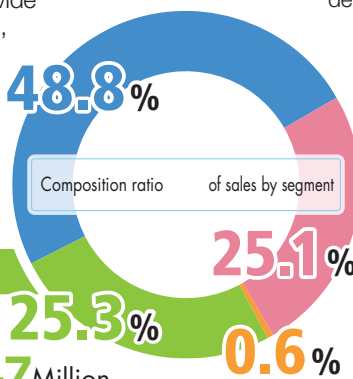
## Processed Food Business



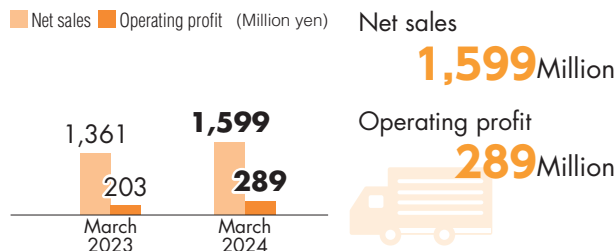
This segment is composed of frozen food products for industrial use, frozen and chilled food products for home use, and shelf-stable foods such as canned foods and seafood delicacies.

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

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



## Logistics Business



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

# Build Up Platform 2024

the previous medium-term business plan

Aiming for new growth founded on a “change to a high-profit structure”

## Summary

The Processed Food Business has shifted to a high-profit structure by expanding sales of products manufactured in Kyokuyo's own plants. Moreover, a certain amount of success has been achieved with the construction of an overseas purse seiner that has boosted access to resources, the broadcast of new television commercials to raise the brand profile, and a strengthened financial base owing to a public stock offering, among others.

On the other hand, the Overseas Business missed meeting initial plans due to the prolonged COVID-19 pandemic and declining consumption caused by inflation in Europe and the US, and other factors, despite efforts to develop production bases. In the Marine Products and Tuna Businesses, we worked to stabilize profits, although having been impacted by the marine products market, challenges remained with the expansion of processed products and in anticipating market conditions.

## ▶ Target value and Results

	2024/3 Results	2024/3 Target value
Net sales	¥ <b>261.6</b> billion	¥ <b>300</b> billion
Operating profit	¥ <b>8.8</b> billion	¥ <b>7.0</b> billion
Ordinary profit	¥ <b>8.8</b> billion	¥ <b>6.5</b> billion
Operating income margin	<b>3.4%</b>	Over <b>2.0%</b>
Ordinary income margin	<b>3.4%</b>	Over <b>2.0%</b>
Overseas sales	¥ <b>21.8</b> billion	¥ <b>30</b> billion
D/E ratio	<b>1.4</b> times	<b>1.5</b> times

## Major strategies and initiatives

### 01 Expanding Processed Food Business

In the Processed Food Business segment we strengthened the sales structure by reorganizing from product categories to business categories. In addition, together with a focus on sales of products manufactured at our own plants, we promoted high profitability by consolidating production items.

### 02 Expanding Overseas Business

Based on the policy of “produce overseas, sell overseas,” we established overseas production bases.

In addition to the completion of our main overseas plant in Thailand, within fiscal 2024 commencing operations will be a new plant in Vietnam that targets food production for Southeast Asia, and another in North America to produce imitation crab meat for the US. Furthermore, we have reinforced a foundation that will work to expand the Overseas Business into the future through, for example, investing in a Turkish company that manufactures frozen foods and also exports into Europe.

### 03 Strengthening financial infrastructure

We have raised approximately ¥3,700 million through a public stock offering that will allow us to make aggressive investments into overseas production bases. Expanding our equity capital and reducing debt has helped us secure the financial flexibility to respond with agility to investments in growth, such as with the expansion of production scale. We will continue to eagerly make investments that will lead to increased corporate value.

# Gear Up Kyokuyo

# 2027

(FY2024-FY2026)

Purpose

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

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

**Expanding business base** (production sites, sales sites, etc.)

**Strengthening financial base** (acquiring stable profits, diverse procurement of capital, etc.)

**Strengthening our partnerships with stakeholders** (customers and business partners)

## Three perspectives

### 01 Human resources and organization

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

### 02 Four businesses

Strengthen and expand Kyokuyo Group centering on four businesses, namely, marine products, freshfoods, processed food, and overseas, as an organization rich in human resources that can adapt flexibly to change.

### 03 Globalization

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

Strengthen and expand

**01**  
Human resources and organization

Adapting to change  
Engagement

**02**  
Four businesses

Marine Products Business  
Freshfoods Business  
Processed Food Business  
Overseas Business

**03**  
Globalization

Sites  
Market  
Products

## Kyokuyo Group’s Missions

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

In addition, the Company has set KPIs to achieve our goal of strengthening and expanding the Kyokuyo Group, and to accelerate growth.

Objective	Target value for the fiscal year ending March 2027
Expanding business scale	Net sales of <b>¥400.0 billion</b>
Strengthening high-profit structure	Operating/ordinary profit of <b>¥13.5 billion</b>
Promoting globalization	Overseas net sales ratio of <b>15% or more</b>
Emphasizing asset efficiency	ROIC (return on invested capital) of <b>6% or more</b>
Enhancing shareholder returns	DOE (dividend on equity ratio) of <b>3% or more</b>



# TOPICS

## A new personnel system

Under the new system introduced in April 2023, the average annual salary and starting salary have been raised by approximately 20% and 30%, respectively, and the retirement age has been extended from 60 to 65. Based on the management vision that the happiness of employees is essential for the Company to remain competitive, and with the aim of responding to diversifying ways of working and changing lifestyles, we created a system that allows for more appropriate evaluation of contributions to the organization, abilities, qualities, etc., regardless of age.

## Marine resource survey

The resource status of marine products procured by the Group in fiscal 2020 was surveyed and announced in October 2023. The results of the survey were shared throughout the Group and will be of merit for business activities that take into consideration the conservation of biodiversity and ecosystems, and the sustainable use of marine resources.



## SHAREHOLDERS INFORMATION

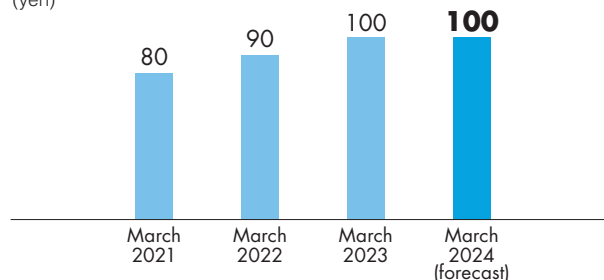
### Shareholder Returns

Dividends: **100** yen

We aim to enhance its internal reserves to strengthen its corporate structure and prepare for future business development, while at the same time maintaining stable dividends and improving the level of dividends through medium-to long-term profit growth. We will propose a dividend of 100 yen per share for the fiscal year ended March 31, 2024 at the 101st Ordinary General Meeting of Shareholders.

### Dividends (dividends per share)

(yen)



### Introduction of Shareholder Special Benefit Plan

We have a shareholder special benefit plan, which we operate as a token of our appreciation for the support of our shareholders and to increase the number of shareholders by enhancing the appeal of shares in the Company.



See  
next page



# SHAREHOLDERS INFORMATION



## ● Details of Special Benefit Plan

### Target Shareholders

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

### Benefits

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

### Shipment:

Gifts will be shipped each year in July.



Examples of benefits  
(FY2023)

／ The Company's  
products presented

Assorted canned  
products valued at  
**¥2,500**

- Simmered mackerel with miso
- Boiled Alaska salmon
- Boiled scallops



Assorted canned  
products valued at  
**¥6,000**

- Simmered mackerel with miso x 2 cans
- Red snow crab leg meat
- Boiled Alaska salmon x 2 cans
- Boiled scallops



## ● Stock Information (As of March 31, 2024)

Total number of shares the company is authorized to issue: 43,700,000

Total number of shares issued: 12,078,283

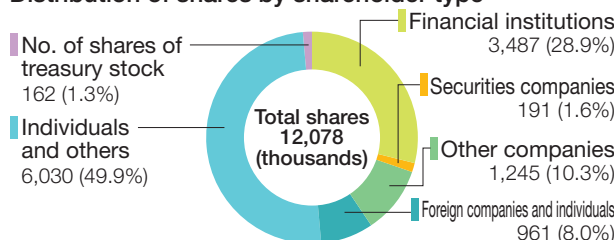
Number of shareholders: 32,021

### Major shareholders

Shareholder's name	No. of shares held (thousands)	Equity position (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	1,162	9.75
Resona Bank, Limited	523	4.39
The Norinchukin Bank	445	3.73
Custody Bank of Japan, Ltd. (Trust account)	424	3.55
Toyo Seikan Group Holdings, Ltd.	315	2.64
Mitsui Sumitomo Insurance Co., Ltd.	250	2.09
Tokio Marine & Nichido Fire Insurance Co., Ltd.	224	1.88
Noriaki Nakamura	169	1.41
JP MORGAN CHASE BANK 385781	149	1.25
Kyokuyo Akitsukai	146	1.22

\*Of the above-listed shares, all shares held by The Master Trust Bank of Japan, Ltd. and Custody Bank of Japan, Ltd. are related to the trust business.

### Distribution of shares by shareholder type



### Trends of Stock Prices and Trading Volume

