



Kyokuyo Group Integrated Report 2023



Always nearby,
always delicious.
KYOKUYO

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About the Cover Design

Dandori-Nya, Kyokuyo's official mascot character

2023 marks the 10th anniversary of the launch of our Dandori Jozu product line, which was based on the concept of making food easy to prepare. In developing products that meet consumers' needs through helping them to maximize the value of time, by reducing the amount of time needed to prepare food and making the process simpler, we are aiming to realize our corporate philosophy of "Contributing to a healthy and happy lifestyle and food culture".



Editorial Policy

As in the previous fiscal year, when compiling this year's Integrated Report, we have made a concerted effort to ensure that the report presents, accurately and in an easy-to-understand manner, the progress achieved in the implementation of our Build Up Platform 2024 Medium-term Business Plan, forecasts, and the long-term outlook for the future, as well as information about ESG matters.

The report also introduces various initiatives that have been launched in line with the basic policy for our Medium-term Business Plan, which is "aiming to 'change to a high-profit structure' that will serve as a foundation for new growth, achieving this goal by creating value shared by both society and Kyokuyo through the implementation of strategies based on the core concepts of 'continuous efforts to address business issues' and 'a challenge for sustainable growth', as we work to strengthen our business foundations".

- Governance system (adoption of an executive officer system, etc.)
- Structural reorganization
- Adoption of a new human resources system
- Disclosure of information relating to climate change risk
- DX (future strategy, etc.)

We hope that this report will give you a more in-depth understanding of our company as it transforms itself to achieve new growth, and we look forward to receiving your continued support in the future.

Period

FY2022 (from April 1, 2022 to March 31, 2023)

* Some information from before and after the targeted period is included.

Scope

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

Publication Date

August 2023

Publisher/Inquiries

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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.

Information Disclosure Framework

	Financial Information	Non-Financial Information
Reports	<ul style="list-style-type: none"> ● Summary of Financial Results https://www.kyokuyo.co.jp/en/ir/library/library_reports01/index.html 	<ul style="list-style-type: none"> ● Corporate Profile https://www.kyokuyo.co.jp/en/files/2023kyokuyoprofile.pdf ● Kyokuyo Group Integrated Report 2023 https://www.kyokuyo.co.jp/en/ir/library/library_reports02/index.html ● Annual Securities Report Japanese link: https://www.kyokuyo.co.jp/ir/library/library_reports02/index.html ● Business Report https://www.kyokuyo.co.jp/en/ir/library/businessreport/index.html
Website	<ul style="list-style-type: none"> ● IR https://www.kyokuyo.co.jp/en/ir/index.html 	<ul style="list-style-type: none"> ● Sustainability https://www.kyokuyo.co.jp/en/environment/index.html 
Dialogue	<ul style="list-style-type: none"> ● IR Presentations ● Shareholders' Meetings 	

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.

Laying the foundations for further development

Aiming to realize a major leap forward



Makoto Inoue

President and Representative Director
Kyokuyo Co., Ltd.

Theme 1 The Kyokuyo Group's business environment

- ▶ Falling marine products consumption in Japan
- ▶ Rising demand for marine products globally
- ▶ Securing supplies of marine products raw materials, and developing overseas markets
- ▶ Laying the foundations for further development through innovative ideas

In September 2022, Kyokuyo celebrated the 85th anniversary of its founding. Since its establishment, the company has faced several difficulties and challenges, including the withdrawal from whaling, which was its original business, and the establishment of exclusive economic zones (EEZs) extending out to 200 nautical miles from the coast, but it has always overcome these problems, taking on the challenge of developing new business areas in line with its corporate mission to provide food for society.

Turning to the current situation, although the recovery from the COVID-19 pandemic is continuing, and economic and social activity is getting back to normal, the conflict in Ukraine has triggered a rise in global resource and raw materials prices and a depreciation of the Japanese yen, which in turn have led to rising consumer prices, and the long period of deflation that Japan experienced following the end of the

"Bubble Economy" in the early 1990s has come to an end, with a transition to an inflationary environment. In addition, Japan's population continues to fall, with an ongoing trend toward smaller families and an aging of the population, leading to concerns that the economy may begin to shrink. On top of this, average per capita consumption of marine products is tending to fall.

On the other hand, at the global level, demand for marine products is still rising, thanks to the increasing world population and the enhanced living standards that have accompanied rising incomes in many countries, particularly in emerging economies in the Asia region. Given this business environment, as a general food company focusing on fish products, not only is it vital for Kyokuyo to safeguard supplies of marine product raw materials for products to be sold in Japan, for the company to achieve continued growth, there is also a need to develop the steadily expanding overseas market. At the same time, with economic and social structures, and the food-related aspects of lifestyles, all continuing to change, we need to implement initiatives that are tailored to diversifying consumer needs.

To respond flexibly to this kind of social change and address emerging issues, rather than merely carrying on with what we have done in the past, we need new ideas about which direction the company should be heading in, and we need to proceed with laying the foundations for further development.

Theme 2 Looking back on the previous fiscal year

- ▶ In its consolidated financial results for the fiscal year ended March 31, 2023, Kyokuyo posted its highest ever net sales, operating profit, ordinary profit, and profit attributable to owners of parent

In the fiscal year ended March 31, 2023, which was the second year of implementation of the current Medium-term Business Plan, Kyokuyo continued to undertake initiatives aimed at realizing the plan goal of "changing to a high-profit structure". On a consolidated basis, Kyokuyo posted record net sales, operating profit, ordinary profit, and profit attributable to owners of parent.

In the marine products purchasing segment, revenue in the first half of the year was the highest ever, buoyed by rising prices in the marine products market. However, from the third quarter onward, high prices led to a fall in demand, and the market for the main fish categories in Japan deteriorated to a greater extent than had been anticipated, resulting in a pronounced fall in revenue.

Regarding the foods segment, although there was an increase in sales and revenue for the major product categories—including sushi toppings for conveyor belt sushi restaurants, fried seafood products for the deli counters of mass merchandisers, and simmered fish and grilled fish products for home delivery and sale through drugstores—rising prices failed to keep pace with rising costs, and revenue fell overall.

In the tuna segment, market prices for tuna have remained high, and with the recovery in the food services industry, sales have been strong. There has also been significant growth in sales of processed food products, particularly those manufactured in-house at Kyokuyo's own plants. In addition, with the rise in the wholesale price of skipjack due to shortages, net sales and profits from skipjack also increased.

The logistics segment saw an increase in storage fee revenue thanks to consistently high space utilization rates,* and net sales grew as a result. However, profits fell, despite price adjustments implemented in response to rising electricity costs.

* Space utilization rate: the percentage of actual products compared to the capacity of cold storage



Theme 3 Working to address issues identified while implementing the Medium-term Business Plan

In the fiscal year ending March 31, 2024, which is the final year of implementation of the current Medium-term Business Plan, besides working to address problems relating to our business strategy that have been identified over the previous two years, we will also be putting in place the business foundations needed to support further growth.

1. Implementing and strengthening our business strategy

- ▶ Strengthening the intra-Group system for integrated procurement, processing, and sales
- ▶ Realizing "produce overseas, sell overseas"
- ▶ Further strengthening of access to resources, by the Resources Research & Development Department
- ▶ Establishing new Divisions for Marine Products, Freshfoods and Processed Food

Expanding our foods business

Regarding the expansion of our foods business, which is the biggest challenge facing us, we are proceeding with the implementation of a sales strategy in which products manufactured at our own Kyokuyo Group plants have a key part to play. With the Shiogama Plant of Kyokuyo Shokuhin Co., Ltd. taking on a central role in Japan, and KYOKUYO GLOBAL SEAFOODS Co., Ltd. (KGS) playing a similar role overseas, the Group is implementing an integrated system that links procurement, processing, and sales closely together. In this way, besides making factory capacity utilization more efficient, we are also striving to be a food manufacturer that ensures a stable supply of products that can be consumed with safety and reliability.

It is now 10 years since we launched our Dandori Jozu product line, which was created to provide enhanced simplicity and convenience in an environment characterized by labor shortages. To further expand and strengthen this product line going forward, we have set up a dedicated department that is mainly focused on managing the Dandori Jozu range. Making effective use of the Dandori-Nya mascot character, we will be working to further develop sales promotion for Dandori Jozu product line, and expand the sales channels.

Expanding our overseas business

With regard to another important area that we are focusing heavily on, our overseas business operations, whereas in the past this has mainly involved the exportation of products made in Japan and overseas sales through three-way trade in marine product raw materials, we are now proceeding with an overseas business strategy that emphasizes the policy of "produce overseas, sell overseas".

We are building up our network of overseas production and sales locations, with a particularly important role being played by KGS, our key overseas production facility, which supplies products not only to Japan but also to markets in Southeast Asia, Europe and North America, by Kyokuyo Vina Foods Co., Ltd., which was established in Vietnam last year to handle production and sale of products for the Southeast Asian market (and to reduce the risks associated with having too much of our production capacity located in the same country), and by Ocean's Kitchen Property Management LLC, established in the US to undertake manufacturing of imitation crab meat for the US market.



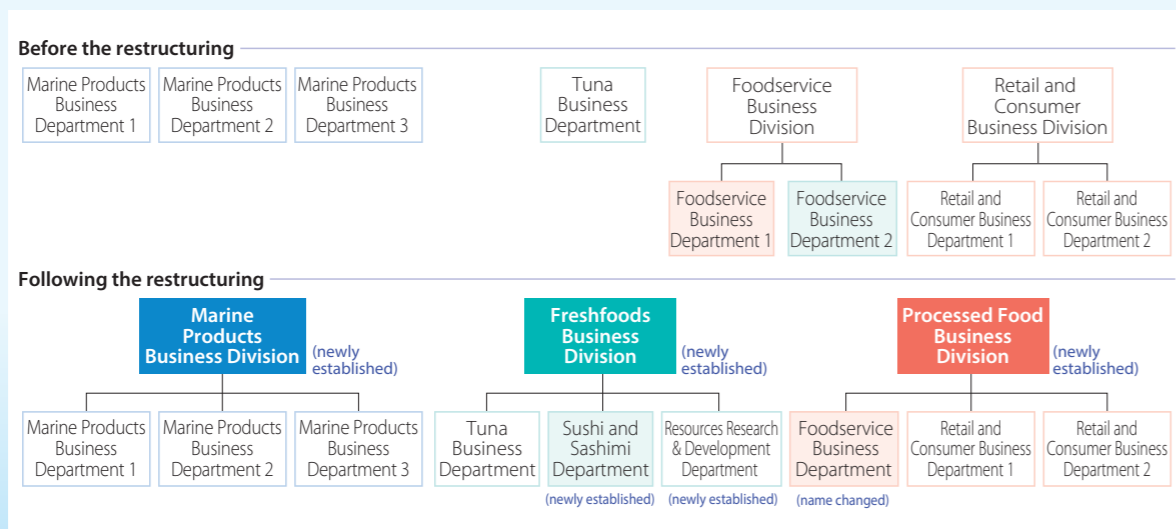
Strengthening access to resources

Faced with the challenge of achieving sustainable utilization of the world's limited marine resources, safeguarding healthy oceans is vital for the continuation of our business, and for ensuring a stable supply of food. To help realize a sustainable marine products industry, going forward, besides undertaking aquaculture of Pacific bluefin tuna and red sea bream in a manner that protects biodiversity and ecosystems, starting from 2025 we will also be selling salmon raised through inland aquaculture in Japan. Last year, in addition to working to achieve sustainable, stable procurement of skipjack through the bringing into service of the Wakaba-Maru No. 11, a large vessel that is competitive in international terms, in our overseas purse seine fishing business, we also helped to invigorate the skipjack processing industry in Japan, and we are contributing toward keeping alive aspects of Japanese traditional cuisine, such as *katsuo-bushi* (dried skipjack shavings) and *katsuo-no-takaki* (seasoned seared skipjack).

Organizational restructuring

In April 2023, we adopted a new segment structure which clarifies our core businesses. The former Marine Products Purchasing Business, Foods Business, Tuna Business and Logistics Business have been replaced by the Marine Products Business, Freshfoods Business, Processed Food Business and Logistics Business, and we are developing our business using this new structure. In addition, with the aim of realizing flexible business operation and “changing to a high-profit structure”, we have established new Divisions for each of the Marine Products Business, Freshfoods Business and Processed Food Business. Besides putting in place a system that will clarify the strategy for each business and ensure that employees fully understand the strategy and act proactively to implement it, by having centralized management through each Business Division, we are aiming to become a high-profit organization that strives for overall efficiency.

Organization Chart



With global competition to purchase marine products becoming increasingly intense, the Marine Products Business is working to strengthen its procurement capabilities and increase the volumes handled. In addition, by strengthening the comprehensive, integrated system within the Kyokuyo Group that covers every stage from procurement through processing to sales, the Marine Products Business is working to enhance profitability.

By handling sushi toppings and sashimi items together with skipjack and tuna, which are often supplied to be eaten raw, in the same segment, the Freshfoods Business is aiming to make business management more efficient. Regarding sushi and sashimi products, the Freshfoods Business is striving to enhance the quality of staple products and expand sales of items produced at Kyokuyo's own plants, aiming to ensure stable profits. For the aquaculture business, we have established a specialized department, the Resources Research & Development Department, and will strive to improve profitability by strengthening production management by experts.

The Processed Food Business handles frozen and chilled foods, canned foods, seafood delicacies, etc. In the frozen and chilled foods segment, it is focusing on product items that require a high degree of processing, including simmered and grilled fish products, and is aiming to enhance the profitability of Kyokuyo's own production facilities. In the canned food segment, the Processed Food Business is striving to expand market share by strengthening relationships with key business partners, while in the seafood delicacies segment, it is aiming to grow sales by developing new product items.

2. Strengthening our business foundations

- ▶ Strengthening the governance framework through the adoption of an executive officer system
- ▶ Adopting a new human resources system to enhance employee motivation
- ▶ Proceeding with digital transformation (DX) to help address the problem of labor shortages, etc.

Strengthening the governance framework

Starting from April 2023, we have adopted an executive officer system, aiming not only to make management more flexible and to strengthen corporate governance by separating the management decision-making and oversight function from the execution function, but also to cultivate next-generation management talent.

Adopting a new human resources system

A new human resources system came into effect starting from April 2023, with adjustments made to the previous system to

enable employees to carry out their work with a higher level of motivation.

The background to this change is the transformations that have been taking place in the external environment, including the shrinking labor force caused by the trend toward smaller families and the aging of the population in Japan, changing workstyles, increased awareness of diversity, etc. Besides supporting diversified workstyles and changing lifestyles, the new human resources system is also designed to provide greater transparency in performance appraisals, making it possible for younger employees to secure promotion more rapidly through accurate assessments of their contribution to the organization, their capabilities, and their character, and to allow the experience accumulated by senior employees to be handed down effectively to the new generation.

DX promotion

Responding to issues affecting the workplace, including labor shortages, the need to transmit skills to a new generation of employees, and the problem of long working hours, we are aiming to enhance working efficiency by promoting improvements that make effective use of digital technology, for example by utilizing artificial intelligence (AI) based sorting technology in the Kyokuyo Group production facilities.

3. Measures to address sustainability issues

To enable the sustainable use of the world's limited marine product resources into the future, there is a need for appropriate safeguarding and careful utilization of these resources, underpinned by proper management based on scientific evidence, including concern for ecosystems and prevention of over-fishing, etc.

Resource management

As an enterprise whose business activities involve the use of the world's limited marine product resources, the Kyokuyo Group strives to safeguard the ocean environment. However, realizing a sustainable marine products industry and healthy oceans is a challenge that the Group cannot tackle alone. What is needed to address these problems is resource management based on scientific knowhow. Since 2017, Kyokuyo has been a member of SeaBOS*, collaborating with some of the world's leading marine products, aquaculture and feed companies to effectively utilize marine resources in a sustainable manner based on scientific evidence, and working to address various issues with the aim of realizing healthy oceans and a healthy global environment.

* SeaBOS: Seafood Business for Ocean Stewardship (SeaBOS) is an organization whose membership comprises nine of the world's largest marine products companies, along with scientists. Utilizing an approach based on scientific evidence, SeaBOS aims to address various issues in order to help achieve the sustainable use of marine resources and realize healthy oceans.

Responding to climate change

Climate change is an important management issue for Kyokuyo, as it is leading to changes in the marine environment (which underpins Kyokuyo's business operations) and to abnormal weather events, and is having various impacts on both society as a whole and the Kyokuyo Group's business operations. In line with the TCFD Recommendations, for which Kyokuyo expressed its support in May 2022, we are undertaking analysis of the risks and opportunities presented by climate change in relation to our business, and besides formulating response strategies, starting from this fiscal year we have also begun to implement related disclosure.

Responding to the issue of marine plastic waste

To address the issue of plastic waste entering the oceans, which is a global problem, we have identified the goal of reducing the volume of plastic used in packaging by 30% (reference year: 2019) by 2030, and our whole Group is working together to achieve this goal.

Theme 4 Looking ahead to the future

- ▶ Aiming to achieve business growth in our overseas business and food business
- ▶ Changing to a high-profit structure through our processing strategy and the expansion of our overseas business
- ▶ Creating a working environment where employees can work cheerfully, happily, and industriously
- ▶ Taking on the challenge of developing new ideas, without being afraid of failure

The Kyokuyo Group has always aimed to contribute toward the realization of healthy and happy lifestyle and food culture, while growing together with society. Going forward, we will be leveraging our core expertise as a company that excels in fish and seafood to achieve further growth by focusing on expanding our food business and overseas business.

The main aspect of our Medium-term Business Plan is to "change to a high-profit structure", and we are proceeding toward realizing this goal by implementing a processing strategy that is less vulnerable to fluctuations in the marine products market, and a sales strategy focused on product items manufactured in our own Kyokuyo Group plants. We will also be expanding our overseas business, and to realize our medium- to long-term management strategy of becoming a processed food manufacturer that is globally competitive, we are considering more aggressive M&A activity and working to strengthen our network of overseas production and sales locations.

Regarding the new human resources system that we

have adopted this fiscal year, we realized that, rather than merely raising wages, there was a need to overhaul the human resources system itself, and so starting in 2020 we spend considerable time developing the new system. Taking the view that it was vitally important to respond to the changes in the external environment—including the shirking of the working-age population caused by the trend toward smaller families and the aging of the population—and to cultivate human talent able to operate effectively on the global stage in order to develop overseas markets, we thought very carefully about what content the new human resources system needed to have. Of course, raising salary levels can be expected to enhance the motivation of existing employees, and lead to improved productivity, and it is my hope that by enabling employees to experience the joy and reassurance of working as part of a close-knit team within the Kyokuyo Group, we can enable our organization to function with maximum effectiveness; this kind of workplace can be a wellspring of growth for our enterprise. We will be working to build an environment in which employees are able to set high goals for themselves and then work enthusiastically, cheerfully, and assiduously to achieve them.

Being keenly aware that "maintaining the status quo amounts to going backwards", in the future we will be working to expand the scope of our business activities, and rather than proceeding along the same old path, we will continue to challenge ourselves, without fear of failure, to create "something from nothing" and develop new ideas, aiming to achieve a major leap forward.

I would like to ask all shareholders, investors and other stakeholders for your continued understanding and support.



History

In line with our corporate philosophy of “Aiming to grow together with society, contributing to a healthy and happy lifestyle and food culture based on management of human respect”, the Kyokuyo Group works to address social problems through its business activities, aiming both to make a positive contribution toward realizing a sustainable society and to enhance corporate value.

Transitioning to a high-profit structure

Founding	1970s – 1990s	2000s	2010 onwards
<p>Establishment as a fisheries company</p> <p>Ensured a stable supply of food by securing valuable sources of protein and entering the food processing business</p>  <p>Salmon and ocean trout fishery mothership leaving port</p> <p>1937 Established Kyokuyo Hogeï Co., Ltd. to engage in whaling using a fleet of one large and many smaller vessels, and in various other types of fishing, as well as the processing and sale of marine products</p> <p>1949 Began manufacture of canned products</p> <p>1954 Began fishing for salmon and ocean trout in the North Pacific using a fleet of one large and many smaller vessels</p> <p>1960 Established a new marine products canning factory in Hokkaido</p> <p>1962 Began pelagic trawling operations off the west coast of Africa</p> <p>1964 Established a representative office in Las Palmas in the Canary Islands, Spain (the Kyokuyo Group's first overseas business location)</p>	<p>Developing as a general food company</p> <p>Beginning the manufacturing and sale of frozen foods, and making the marine products purchasing business and processed foods business the central focus of the company's development</p>  <p>Headquarters building</p> <p>1970 Began production of frozen foods at the Hiratsuka Plant in Kanagawa Prefecture</p> <p>1971 Changed company name to Kyokuyo Co., Ltd.</p> <p>Established Kyokuyo Shoji Co., Ltd. in Tokyo to undertake the procurement and sale of food products, Kyokuyo Akitsu Reizo Co., Ltd. in Osaka to undertake cold storage warehouse operation, and Kyokuyo U.S.A. Inc. (current Kyokuyo America Corporation) in the US to undertake the procurement and sale of marine products and their exportation to Japan</p> <p>1973 Began overseas purse seine fishing business using a purse seine fishing vessel</p> <p>1980 Established Kyokuyo Shokuhin Co., Ltd. in Miyagi Prefecture to undertake manufacturing of frozen foods</p> <p>1984 Established Kyokuyo Foods, Co., Ltd. in Ehime Prefecture to manufacture imitation crab meat</p> <p>1997 Established Kyokuyo Suisan Co., Ltd. in Shizuoka Prefecture to undertake overseas purse seine fisheries operations and the processing and sale of skipjack and tuna</p>	<p>Making Kyokuyo into a global company</p> <p>Working to expand Kyokuyo's network of overseas business locations</p>  <p>Exhibiting at the Seafood Expo Global trade show in Brussels</p> <p>2002 Secured ISO 14001 international certification, relating to reducing the negative impact of business activity on the environment</p> <p>2005 Established QINGDAO KYOKUYO INTERNATIONAL CO., LTD. to undertake product sales in China, and exportation</p> <p>Established K&U Enterprise Co., Ltd. in Thailand to undertake the manufacturing and sale of sushi products</p> <p>2006 Established KYOKUYO EUROPE B.V. in the Netherlands to undertake the sale of marine products and frozen foods</p> <p>2007 Established Kyokuyo Marine Farm Co., Ltd. in Kochi Prefecture to undertake the farming, processing, and sale of Pacific bluefin tuna</p> <p>2008 Made Jokki Co., Ltd. (a manufacturer of seafood delicacies) into a consolidated subsidiary</p> <p>2009 Made first shipment of “Hon Maguro no Kiwami”, our brand of farmed Pacific bluefin tuna</p>	<p>Aiming for sustainable growth</p> <p>Strengthening measures to develop overseas businesses, the processed food business, and the aquaculture business, and to address ESG issues, and aiming to both contribute toward the realization of a sustainable society and enhance corporate value</p>  <p>Wakaba Maru No. 11 overseas purse seine fishing vessel</p>  <p>Pacific bluefin tuna farmed using full-life-cycle aquaculture</p>  <p>Farmed red sea bream</p>  <p>KYOKUYO GLOBAL SEAFOODS Co., Ltd.</p> <p>2012 Established Kyokuyo Nippai Marine Co., Ltd. (current Kyokuyo Feed One Marine Co., Ltd.) in Ehime Prefecture with the aim of commercializing the full-life-cycle aquaculture of Pacific bluefin tuna</p> <p>2013 Announced Sea Marché as a new brand for consumer products</p> <p>Began the sales of the “Dandori Jozu” series of frozen food products</p> <p>2014 Entered the frozen foods retail market</p> <p>Compiled the Food Defense Guidelines as a food safety initiative</p> <p>2015 Completed construction of the new factory of Kyokuyo Shokuhin Co., Ltd. in Miyagi Prefecture</p> <p>2017 Made first shipment of “Hon Maguro no Kiwami TUNAGU”, our brand of Pacific bluefin tuna raised with full-life-cycle aquaculture</p> <p>Joined the SeaBOS initiative, the aim of which is to solve problems to help achieve sustainable utilization of marine resources through a scientifically based approach, and to realize healthy oceans and a healthy global environment</p> <p>2019 Established KYOKUYO GLOBAL SEAFOODS Co., Ltd. in Thailand to undertake production of sushi, grilled fish, and boiled fish products</p> <p>Invested in an aquaculture company in Kochi Prefecture, farming red sea bream and other species, expanding the variety of farmed fish species we offer</p> <p>Joined CLOMA, an organization which works across all industries to resolve the issue of plastic waste in the oceans</p> <p>2020 Formulated the Kyokuyo Group Basic Procurement Policy to outline our basic approach to responsible procurement activities</p> <p>Formulated the Kyokuyo Group Supplier Guidelines, our code of conduct for business partners</p> <p>2021 Formulated the Kyokuyo Group Basic Sustainability Policy to realize sustainable growth for both the Kyokuyo Group and society as a whole</p> <p>2022 Completed the building of Wakaba Maru No. 11, an overseas purse seine fishing vessel</p> <p>Established Kyokuyo Vina Foods Co., Ltd. in Vietnam to undertake food products manufacturing, sale, and exportation</p> <p>2023 Kyokuyo Foods Co., Ltd. secured FSSC 22000 food safety certification</p> <p>Strengthened the company's managerial foundations by adopting a new executive officer system, establishing the Marine Products Business Division, Freshfoods Business Division, and Processed Food Business Division, and introducing a new human resources system</p>

Value Creation Process

The Kyokuyo Group incorporates the response to changes in the business environment (social issues) into its Medium-term Business Plan in line with corporate philosophy, and practices ESG-focused management to address relevant issues. We further aim to do our part to realize a sustainable society while enhancing our corporate value.

Changes in the business environment (social issues) (→P.19-20)

- Growing global demand for marine products
- Carbon neutrality by 2050
- Worsening environmental issues, including climate change and marine pollution
- Changes in food lifestyles
- Increasing food options, including restaurants, ready-made meals, and eating at home
- Declining birthrate and aging population
- Changing need for frozen foods
- Increasing interest in food safety and reliability
- Shortage of labor at manufacturing sites and food preparation environments
- Growing awareness of human rights and the diversity of society
- Development of IT technology
- Accelerating digital transformation (DX)
- Acceleration of ESG-driven investment

Input

Capital

Financial capital

- Shareholders' equity: **43,736** million yen

Intellectual capital

- R&D expenses: **338** million yen
- Production and processing technology
- Marine product expertise

Human capital

- No. of consolidated employees: **2,112**
- Female employee ratio: **27.6%**
*Non-consolidated
- No. of employees undertaking distance learning through the Kyokuyo Business School program: **171**
*Non-consolidated

Natural capital

- Marine products, other raw materials
- Energy
- Water resources

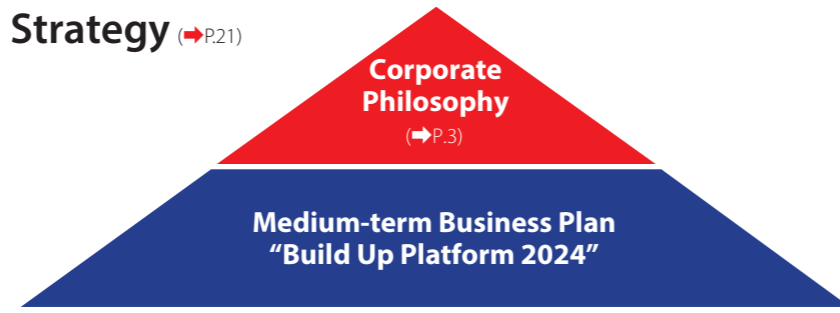
Manufacturing capital

- Capital investment: **2,292** million yen
- Manufacturing sites: **16** sites
- Cold-storage capacity: **52,655** t
- Purse seiners: **4** vessels
- Aquaculture farms: **5** locations (4 companies)
*Including Group Companies

Social and related capital

- Procurement network
- Relationships of trust, cooperation, and collaboration with suppliers
- Sales networks in and outside Japan
- Participation in initiatives

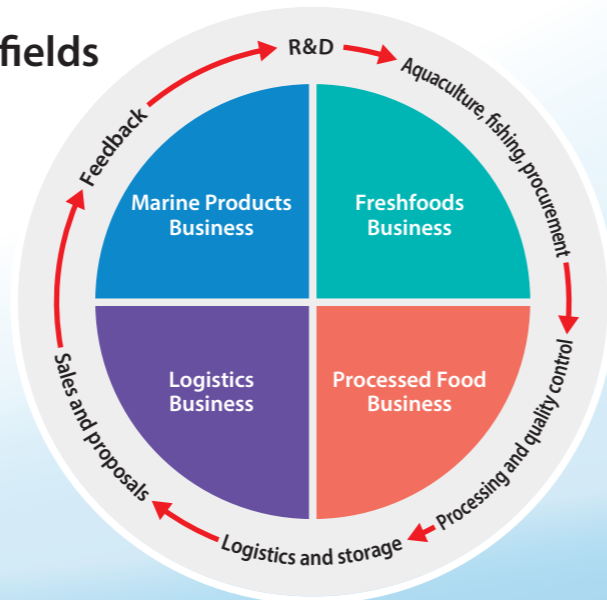
Strategy (→P.21)



Business strategies (→P.25-31)

Four business fields (→P.15)

Value chain (→P.15)



Outcomes (created value)

Social value (→P.32-54)

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

Economic value

Medium-term Business Plan
Target: Fiscal year ending March 31, 2024

- Net sales: **300** billion yen
- Operating profit: **7.0** billion yen
- Ordinary profit: **6.5** billion yen
- Overseas net sales: **30** billion yen
- D/E ratio: **1.5**
- Operating income margin: Over **2%**
- Ordinary income margin: Over **2%**

Output

Kyokuyo Group's Vision

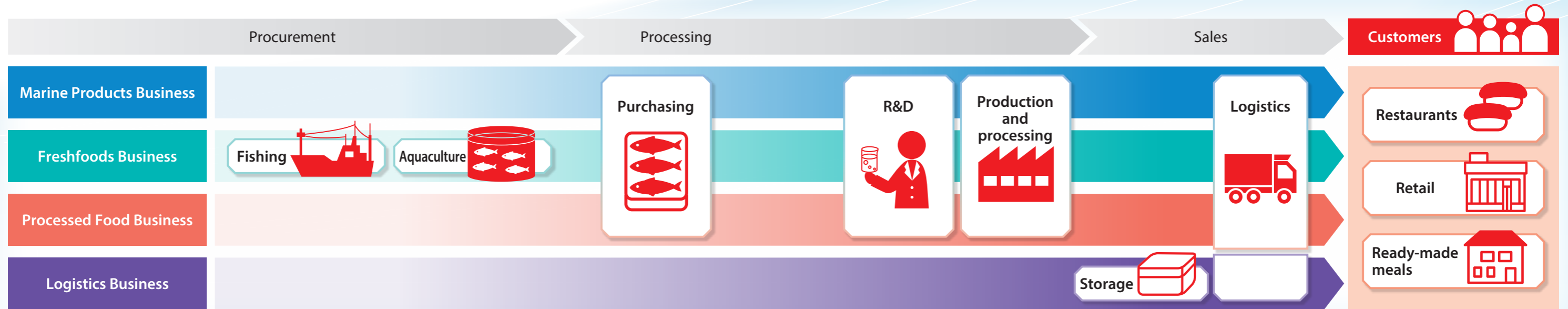
A corporate group that grows together with society and contributes to a healthy and happy lifestyle and food culture



Business Development

As a general food company focused on the integrated procurement, processing and sale of marine products using a domestic and international network built up over a period of many years, Kyokuyo delivers the bounty of the sea from all over the world to dinner tables both in Japan and overseas.

Value chain



Four business fields



Marine Products Business
 This business harnesses our global network to select the best procurement, processing and sales options

- Through mutual partnerships with domestic and foreign branches, business offices, representative offices, and subsidiaries, it achieves the stable procurement of high-quality marine products sourced from around the world, also selling processed products including fillets, shelled/peeled products, and more
- Export of marine products caught in Japan, and engaging in off-shore trade



Freshfoods Business
 This business handles the integrated sale of sushi and sashimi products, as well as skipjack and tuna, which are widely used for making sushi and sashimi

- With KYOKUYO GLOBAL SEAFOODS Co., Ltd. in Thailand as the main production facility, the Freshfoods Business is expanding both export sales to Japan and the sale of sushi products for use by the overseas branches of Japanese-owned conveyor belt sushi restaurant chains
- Procurement, production, and sales systems with integrated operations from fishing and farming to purchasing, processing, and sales of skipjack and other tuna
- The Freshfoods Business is working to strengthen the aquaculture business, including "Hon Maguro no Kiwami" (Kyokuyo's farmed Pacific bluefin tuna brand), "Hon Maguro no Kiwami TUNAGU" (Pacific bluefin tuna farmed using full-life-cycle aquaculture), and farmed red sea bream



Processed Food Business
Foodservice Business
 This business provides a diverse product lineup that responds to the various needs of customers, focusing on saving customers' time and delivering convenience

- Sale of products, designed to be eaten after heating, to medical care-giving and other institutions. This includes "Dandori Jozu" series products
- Sales of simmered fish, grilled fish, fried marine products, imitation crab meat, meat from livestock, frozen vegetables and other products via restaurants and other channels

Retail and Consumer Foods Business
 This business offers solutions for a variety of different sales channels, with the aim of saving customers' time, delivering convenience and safeguarding health

- Sale of products under the Sea Marché consumer brand as well as other products frozen home foods including simmered fish, grilled fish, and fried marine products to convenience stores and mass retailers
- Sale of canned products, which have a long history - the manufacture of these products started in 1949
- Sale of seafood delicacies such as shredded squid in addition to health products such as glucosamine and DHA supplements



Logistics Business
 Maintaining product quality through strict control of freezing temperature

- Operation of cold storage warehouses in three locations: Ohi, Jonanjima (both in Tokyo), Fukuoka
- Providing logistics services including delivery of stock from warehouses


Overview by Business

In FY2022, the second fiscal year of implementation of the "Build Up Platform 2024" Medium-term Business Plan, as in the previous fiscal year, the Group's business was affected by developments that included the impact of geopolitical risks related to the ongoing situation in Ukraine and the rapid depreciation of the yen, factors that combined to produce growing uncertainty. In the marine products and foods business, despite rebounding consumer demand and an upturn in the food services industry following the tail-off of the COVID-19 pandemic, business conditions remained difficult due to rising prices caused by the increase in energy costs, raw materials costs, etc. resulting from the situation in Ukraine.


Despite this difficult environment, our Group's net sales, operating profit, ordinary profit and profit attributable to owners of the parent company all increased to reach the highest figures ever recorded in the company's history. The business conditions in each of our segments are as detailed below.

Note that from the previous consolidated fiscal year onwards, we have reorganized the categories used to manage and control our products. Starting from FY2021, we have integrated the previous categories of "frozen food products" and "shelf-stable foods products" into the "foods products" category. We have therefore restated previous year data on the basis of the new segments in order to facilitate comparison between FY2020 and FY2021. Beginning from FY2023, we have switched over to a new segment composition, and so the content of measures implemented in FY2023 is based on this new segment structure.

Market environment and FY2022 performance



Marine Products Purchasing Business




Salted salmon fillets


Sales up

Profit down

- [Sales in Japan]**
 - With prices in the marine products market remaining high, there was a noticeable falling off in demand from the third quarter onward, and transaction volume fell for salmon, shrimp, and crab
 - The rapid rise in market prices was followed by a fall in demand, and this downturn in the market squeezed profits
- [Overseas business]**
 - Overseas sales of scallops and salmon grew, partly due to the depreciation of the Japanese yen
 - With consumer spending in China and the US having fully recovered, sales in these markets were brisk



Foods Business




(left) Dandori Jozu series mackerel fillets
(right) Dandori Jozu series grilled red snapper marinated in mirin (sweet rice wine)


Sales up

Profit down

- [Foodservice frozen food products]**
 - Sales of sushi products to conveyor belt sushi restaurants were satisfactory
 - Sales of marine product fillets and shrimp fritters for sale at mass merchandisers' deli counters have grown
 - Although prices have been raised, this has not been enough to cover rising costs, and profit margins have been squeezed
- [Frozen food products for the retail market]**
 - Sales increased, particularly fish for boiling and grilling
- [Canned food]**
 - Despite rising costs and having had to temporarily suspend sales of canned mackerel at one point, overall sales remained roughly at the same level as in the previous year, due to a focused sales effort targeting core products
- [Snacks and seafood delicacies]**
 - Sales fell due to changes in consumer behavior
 - Profits were squeezed by rising materials costs



Tuna Business




Hon Maguro no Kiwami TUNAGU


Sales up

Profit up

- [Processing and Sales Business]**
 - Prices in the raw materials market remained high, but sales performance was satisfactory thanks to strong demand resulting from the recovery in the food services sector
 - Sales of southern bluefin tuna were satisfactory
 - There was substantial growth in sales of processed food products, mainly manufactured in Kyokuyo's own plants, to conveyor belt sushi restaurants
- [Aquaculture Business]**
 - We have been striving to maintain the quality of domestically-produced Pacific bluefin tuna, and have succeeded in maintaining profitability
- [Overseas Purse Seine Fishing Business]**
 - Sales and revenue increased thanks to the rise in the price of skipjack



Logistics Business



Kyokuyo Akitsu Reizo Co., Ltd.'s Tokyo cold storage

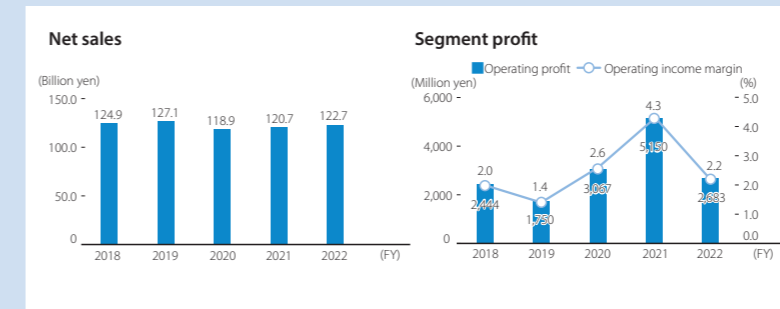
Sales up

Profit down

- [Cold Storage Business]**
 - With freight movement relatively low, the warehouse space utilization rate* remained high, and storage fee revenue increased
 - Despite adjusting prices in response to the rise in electricity charges (the main factor responsible for squeezing revenue), overall, earnings fell
- [Consigned Forwarding Business]**
 - Sales grew thanks to an increase in the volume of transactions with external business partners

* Space utilization rate: the percentage of actual products compared to the capacity of cold storage

Net sales/segment profit (consolidated)

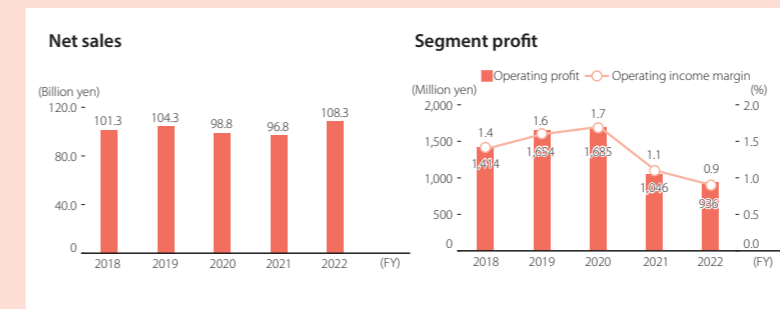


FY2023 measures (under the new segment structure)



Marine Products Business

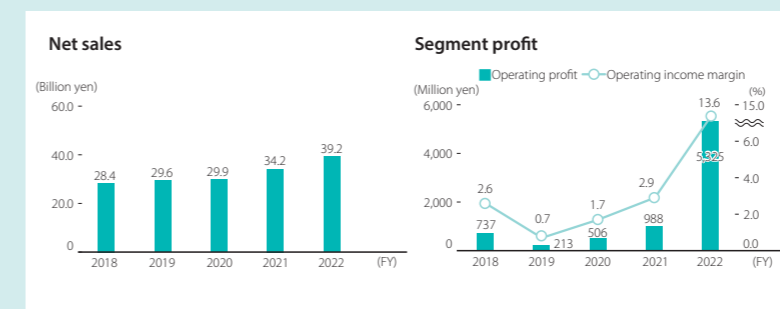
- Expand the volume of product handled by strengthening procurement capabilities
- Improve profitability by expanding sales of products produced at our own plants
- Put in place the production facilities needed to "produce overseas, sell overseas"





Freshfoods Business

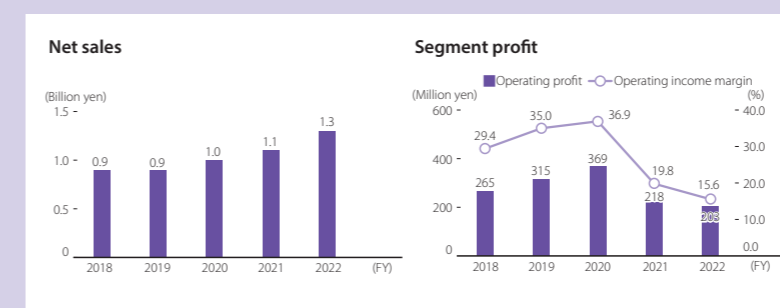
- Make business operation more efficient by having a dedicated unit to handle sushi and sashimi materials
- Enhance profitability by expanding sales of products produced at our own plants
- Strengthen production management and expand the range of fish species produced through aquaculture by establishing a dedicated aquaculture unit






Processed Food Business

- Enhance profitability by expanding sales of products produced at our own plants
- Strengthen plant productivity by consolidating the range of items produced
- Speed up the introduction of new products that reflect market needs





Logistics Business

- Expand sales by maintaining high storage volume
- Enhance business efficiency through systematization

Note that the "accounting standard on recognition of earnings" (corporate accounting standard number 29) has been applied from the start of the fiscal year ended March 2022, and that data for the fiscal year ended March 2022 is shown after conversion to reflect the application of the above standard.

Recognition of the Business Environment

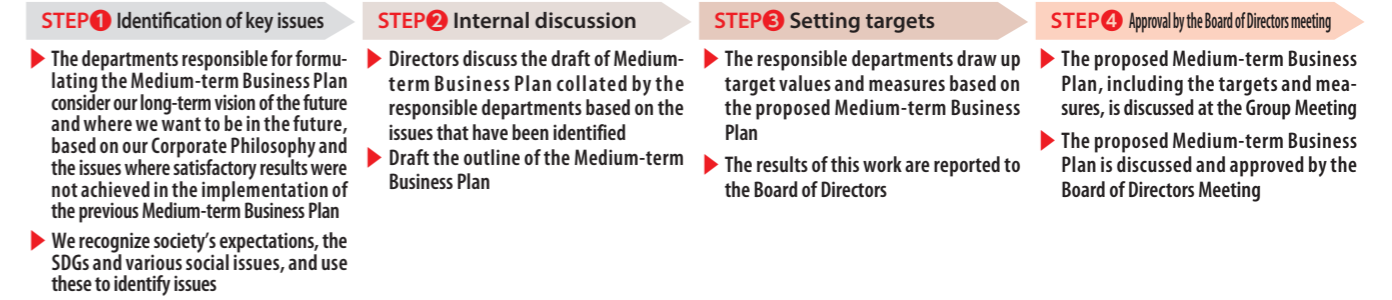
The relationship between recognition of the business environment and our materiality

We have examined the social and natural environment in which the Kyokuyo Group operates from different perspectives, identified the risks and opportunities, and used these to specify the Group's materiality.

⊙ Risks ● Opportunities

Business environment	Risks and opportunities for the Kyokuyo Group	SDGs to which we can contribute	Materiality (P.23)				
			Expanding Foods and Overseas Businesses	Stabilizing profitability of Marine Products Purchasing and Aquaculture Businesses	Strengthening access to resources	Strengthening of our management base	ESG-focused management
<ul style="list-style-type: none"> ● Growing global demand for marine products 	<ul style="list-style-type: none"> ⊙ Increasing procurement costs due to intensified purchasing competition ⊙ Decrease and depletion of fishery resources ● Increased demand for sustainable marine products ● Growing interest overseas in Japanese cuisine, increasing demand for marine products 		✓	✓	✓	✓	
<ul style="list-style-type: none"> ● Carbon neutrality by 2050 ● Worsening environmental issues, including climate change and marine pollution 	<ul style="list-style-type: none"> ⊙ Increase in costs for preventing pollution and reducing environmental impact, including responding to the plastics issue ⊙ Damage to corporate value due to a delayed response to the need for building sound supply chains ⊙ Impact on fishery resources, and destabilization of the supply system ⊙ Suspension of management activities due to natural disasters, and damage to corporate value ● Diversification of raw materials procurement sources ● Earning the trust of society by being responsive ● Promoting the development of new technology for creating a low-carbon society and resolving plastic waste issues 		✓	✓	✓	✓	✓
<ul style="list-style-type: none"> ● Changes in food lifestyles ● Increasing food options, including restaurants, ready-made meals, and eating at home ● Declining birthrate and aging population ● Changing need for frozen foods 	<ul style="list-style-type: none"> ⊙ Decrease and contraction in demand at fresh food markets ⊙ Decrease in the sale of loose items in supermarkets deli sections ⊙ Decrease in sales due to delay in responding to changes ● Growing need for health-oriented products and functional foods ● Growing need for foods for the elderly ● Growing influence of personal preferences 		✓	✓			✓
<ul style="list-style-type: none"> ● Increasing interest in food safety and reliability 	<ul style="list-style-type: none"> ⊙ Increase in costs for system construction ⊙ Decrease in customer trust due to product quality complaints and trouble ● Earning customer trust by improving quality ● Earning trust by promoting accurate and prompt information to customers 				✓	✓	✓
<ul style="list-style-type: none"> ● Shortage of labor at manufacturing sites and food preparation environments 	<ul style="list-style-type: none"> ⊙ Impact on safety and health management and increase in risk of occupational accidents ⊙ Lower productivity, product quality, employee motivation and efficiency as a result of more days working long hours ⊙ Higher labor and logistics costs ● Significant increase in mechanization and energy-conservation 					✓	✓
<ul style="list-style-type: none"> ● Growing awareness of human rights and the diversity of society 	<ul style="list-style-type: none"> ⊙ Risk of human rights violations ⊙ Reduced employee motivation and operational efficiency due to delays in response ⊙ Loss of human resources due to delays in response ● Increasing productivity and motivation through the creation of a comfortable workplace environment ● Increasing creativity by securing diverse human resources ● Transforming from a business that seeks human resources to a business that attracts human resources 				✓	✓	✓
<ul style="list-style-type: none"> ● Development of IT technology ● Accelerating digital transformation (DX) 	<ul style="list-style-type: none"> ⊙ Increase in cost of system construction ⊙ Changes in sales channels, and loss of sales opportunities ● Improving operational efficiency and sophistication by introducing new technologies ● Visualizing production and marketing technologies, and improving sustainability through leveling (standardization) of production 					✓	✓
<ul style="list-style-type: none"> ● Acceleration of ESG-driven investment 	<ul style="list-style-type: none"> ⊙ Concerns about corporate strategy resilience and risk management capabilities ● Improving corporate value and performance through ESG-focused management 						✓

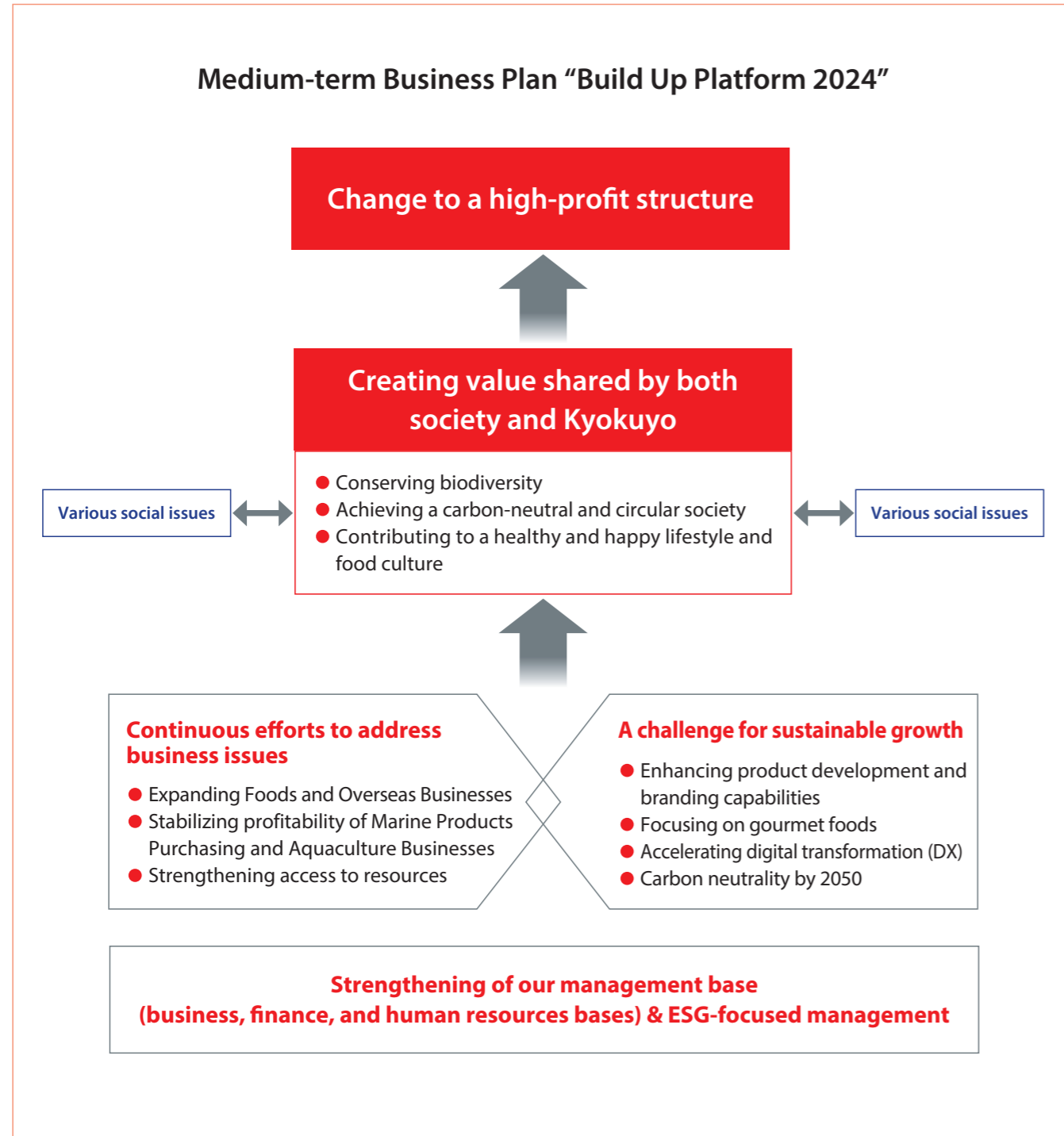
The process used to specify the key issues to be addressed in the Medium-term Business Plan



Medium-term Business Plan “Build Up Platform 2024”

In April 2021, Kyokuyo launched its Medium-term Business Plan “Build Up Platform 2024” for the period from FY2021 through FY2023. Based on the basic policy shown right, we will move forward with our business while fulfilling our responsibilities to help realize a sustainable society, including ESG and the SDGs.

Overview of the Medium-term Business Plan “Build Up Platform 2024”



Basic Policy

We are aiming to “change to a high-profit structure” that will serve as a foundation for new growth, achieving this goal by creating value shared by both society and Kyokuyo through the implementation of strategies based on the core concepts of “continuous efforts to address business issues” and “a challenge for sustainable growth, as we work to strengthen our business foundations”.

The goals of Medium-term Business Plan “Build Up Platform 2024” and our performance during FY2022

Group (consolidated) (Billion yen)	FY2022 performance	Target for final (third) year of Medium-term Business Plan	Forecast for FY2023, final year of implementation of the current Medium-term Business Plan
Net sales	272.1	300.0	300.0
Operating profit	8.1	7.0	8.5
Ordinary profit	8.1	6.5	8.5
Operating income margin	3.0%	Over 2.0%	2.8%
Ordinary income margin	3.0%	Over 2.0%	2.8%
Overseas net sales	25.4	30.0	—
Debt-to-equity ratio (D/E ratio)	1.6 times	1.5 times	—

Performance by segment (Billion yen)	FY2022 performance		Target for final (third) year of Medium-term Business Plan		Forecast for FY2023*, final year of implementation of the current Medium-term Business Plan		
	Net sales	Segment profit	Net sales	Segment profit	New segment composition structure	Net sales	Segment profit
Marine Products Purchasing Business	122.7	2.6	142.0	3.6	Marine Products Business	153.0	5.5
Foods Business	108.3	0.9	124.0	3.0	Freshfoods Business	73.0	2.5
Tuna Business	39.2	5.3	33.0	1.4	Processed Food Business	73.0	1.7
Logistics Business	1.3	0.2	1.0	0.2	Logistics Business	1.0	0.2
Other	0.4	(1.0)		(1.2)	Other	0.0	(1.4)
Total	272.1	8.1	300.0	7.0		300.0	8.5

* Forecasts for FY2023 are based on the new segment composition structure

Medium-term Business Plan “Build Up Platform 2024”

Progress of our Medium-term Business Plan “Build Up Platform 2024” and future initiatives

Social background		Important issues	Progress made in the Build Up Platform 2024 Medium-term Business Plan	Major Initiatives
Global affairs	<ul style="list-style-type: none"> ▶ Stronger control of resources and stronger regulations on fishing in order to conserve marine resources ▶ The situation in Ukraine 	Expanding foods business	<ul style="list-style-type: none"> ● Restructuring to create a business-type based organization ● Completion of the new production facility of KYOKUYO GLOBAL SEAFOODS Co., Ltd. (KGS) in Thailand 	<ul style="list-style-type: none"> ● Enhancing profitability by expanding sales of products produced in Kyokuyo’s own plants (stabilize plant utilization rate) ● Enhancing production facility productivity by consolidating the range of items manufactured ● Speeding up the introduction of new products tailored to market needs
		Expanding overseas business	<ul style="list-style-type: none"> ● Establishing new production and sales locations to realize “produce overseas, sell overseas” ● Completion of the new KGS plant 	<ul style="list-style-type: none"> ● Establishment of a new plant and commencement of production at subsidiary Kyokuyo Vina Foods Co., Ltd. (KVF) in Vietnam, with the aims of spreading processing-related risk and expanding sales in Southeast Asia ● Establishment of a new plant and commencement of production at second-tier subsidiary Ocean’s Kitchen Property Management LLC in the US, to manufacture and sell imitation crab meat ● Expansion of production locations in the US and Europe ● Strengthening of overseas sales with KGS as the hub factory
Economy	<ul style="list-style-type: none"> ▶ Increased demand for marine products around the world ▶ Continued depreciation of Japanese yen ▶ Rising raw materials prices ▶ Rising expenses for fuel and feed 	Stabilizing profitability of marine products purchasing business	<ul style="list-style-type: none"> ● Expanding the share held by processed food products ● Realizing centralized budgeting and inventory management by the Marine Products Business Division 	<ul style="list-style-type: none"> ● Expanding the volume of product handled by strengthening procurement capabilities ● Commencement of processed food product operations at the KVF plant in Vietnam
		Stabilizing profitability of the aquaculture business	<ul style="list-style-type: none"> ● Establishment of the new Resources Research & Development Department to formulate strategies aimed at expanding the aquaculture business ● Striving to maintain the quality of domestically-produced Pacific bluefin tuna, and maintaining profitability 	<ul style="list-style-type: none"> ● Strengthening production management and expanding the range of fish species raised in our aquaculture business, through the establishment of the Resources Research & Development Department
		Strengthening access to resources	<ul style="list-style-type: none"> ● Reaching agreement on the sale of salmon produced through inland aquaculture in Japan, harvesting of which is due to begin in 2025 ● Construction of the Wakaba Maru No. 11, a large, internationally-competitive fishing vessel ● Investment in EBIS Algae Research Institute, Inc. 	<ul style="list-style-type: none"> ● Procurement of raw materials by Wakaba Maru No. 11, the overseas purse seine fishing vessel, in a manner that is considerate of the sustainability of marine resources ● Maintaining stable sales through collaboration with inland aquaculture companies
ESG	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="background-color: #008080; color: white; padding: 2px 5px; margin-bottom: 5px;">E</div> <ul style="list-style-type: none"> ▶ Global warming ▶ Climate change risk ▶ Ocean plastic waste issues <div style="background-color: #ff8c00; color: white; padding: 2px 5px; margin-bottom: 5px;">S</div> <ul style="list-style-type: none"> ▶ Increased health consciousness ▶ Increased awareness of the SDGs <div style="background-color: #000080; color: white; padding: 2px 5px;">G</div> <ul style="list-style-type: none"> ▶ Thorough compliance ▶ Strengthening governance </div>	Strengthening business foundations	<ul style="list-style-type: none"> ● Adoption of a new human resources system ● Adoption of an executive officer system ● Organizational restructuring ● Establishment of three business divisions: Marine Products, Freshfoods, and Processed Food 	<ul style="list-style-type: none"> ● Striving for centralized management and enhanced overall efficiency through the business division structure ● Accelerating digital transformation (DX)
		ESG-focused management	<ul style="list-style-type: none"> ● Implementing initiatives to address climate change related issues ● Investment in EBIS Algae Research Institute, Inc. 	<ul style="list-style-type: none"> ● Reducing the amount of plastic used in packaging (aiming for a 30% reduction by 2030 compared to 2019, on a plastic usage intensity basis) ● Reducing CO₂ emissions (aiming for carbon neutrality by 2050) ● Disclosing information based on the TCFD Recommendations ● Continue with Clean River Activities ● Promotion of diversity ● Thorough implementation of compliance



Marine Products Business

Strengths of our Marine Products Business

- "Group-wide integrated system" from procurement to processing and sales
- Networks in and outside Japan
- Knowledge and know-how accumulated in each of the Group's segments



Shigeru Kondo

Senior Managing Director
Business Division Supervisor
Control over Marine Products Business Segment
In charge of Marine Products Business Division, Overseas Business Dept and Sales Administration
General Manager of Marine Products Business Division

In FY2022, although the Marine Products Business's net sales remained roughly the same as in the previous fiscal year, there was a significant fall in profit. While reflecting on last fiscal year's performance, we will continue to position stabilizing the profitability of the Marine Products Business, strengthening access to resources, and expanding our overseas businesses, as important policies.

Main products handled



Business overview by segment (April 2022 to March 2023)

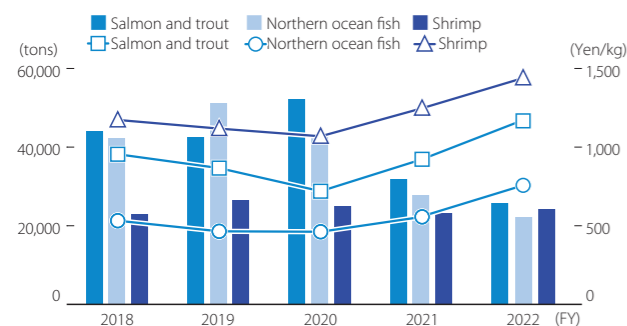
Regarding sales in the Japanese market, in the first half of the fiscal year, when the lingering after-effects of the COVID-19 pandemic were still being felt, the profits posted in Japan were the highest ever, thanks to the impetus provided by rising market prices for the main fish species (including salmon and trout). However, consumption slowed from the third quarter onward, as a result of the continuing high prices, and this in turn led to a dramatic fall in the market price of the main ingredient categories (including salmon, trout, shrimp, and crab), resulting in a decline in sales revenue.

In our overseas business, although the first half of 2022 saw an upturn in consumer sentiment in Europe and North America thanks

to the tail-off of the COVID-19 pandemic, from the summer onward, the rising consumer prices caused by the conflict in Ukraine led to an economic downturn, resulting in lower consumption of products with a high unit price (including crab and shrimp). Faced with this business environment, in the US we proceeded with efforts to develop new relationships with mainstream US wholesalers, in addition to our existing relationships with wholesalers affiliated with Japanese companies. In China, despite the continuing implementation of the "Zero-COVID" policy, there was an upturn in the marine products market that saw increased sales of raw materials (such as scallops) in the processed foods sales channel. As a result, although the situation in Europe was challenging because of depressed consumer spending resulting from the war in Ukraine, overall, overseas sales were higher than had originally been anticipated.

As a result of the above, net sales exceeded the previous fiscal year, but profit fell below the previous fiscal year.

Marine Products Purchasing <Non-consolidated> Sales weight and unit price of each seafood type by year



* Note that data for FY2020 is recorded prior to the application of the "Accounting Standard for Revenue Recognition".
Note also that data for FY2021 is recorded after the application of the same standard.

FY2022 performance (Marine Products Purchasing Business)
Net sales: 122.783 billion yen (up 1.6% year-on-year)
Operating profit: 2.683 billion yen (down 47.9% year-on-year)
FY2022 consolidated overseas net sales performance
Net sales: 25.400 billion yen (up 38.5% year-on-year)

FY2023 policies

Based on our reflections on the previous fiscal year's performance, we will continue working to "change to a high-profit structure", which is the most important goal of our current Medium-term Business Plan, and we will be undertaking measures aimed at stabilizing the profitability of the Marine Products Business, strengthening access to resources, and expanding our overseas business, all of which are positioned as important aspects of achieving this goal.

As regards stabilizing the profitability of the Marine Products Business, we will be driving the development of this business based on three key policies: centralized risk management utilizing the Business Division system, expanding the range of products handled by the business, and working to further enhance quality and differentiate our products from those of competitors. With the new Business Division system that has been adopted in FY2023, we are aiming to reduce and mitigate risk on a company-wide basis by having the Marine Products Business Division at headquarters implement centralized management of branch offices' procurement, sales, and inventory management activities at the level of individual products. At the same time, by expanding the range of products that the Marine Products Business handles, we will be able to deliver our companies' products to consumers in a more stable manner. We are constantly striving to further enhance the quality of our products and to realize product

differentiation, and to mitigate the impact of fluctuations in the raw materials market; going forward, we will be providing products that absorb the cost increases which can be expected to continue in the future. While striving to strengthen the production efficiency of our overseas production facilities, we also recognize the need to increase the amount of processing that takes place within Japan, so that we can respond rapidly to changes in market demand, and we will be proceeding with measures to improve the production equipment at both our own plants and those of partner plants.

To strengthen access to resources, we are continuing with preparations aimed at beginning the sale of salmon farmed through inland aquaculture in Japan from 2025 onwards. We will also be expanding our collaborative projects with overseas producers, taking as a model the exclusive agreement that we signed with a salmon aquaculture facility in Chile last year.

In our overseas business, to realize our vision of "produce overseas, sell overseas", we will be implementing aggressive investment and M&A activity to ensure that we have adequate production sites, and to build up our sales network, as we seek to expand the scale of our overseas business.

FY2023 forecast	
Net sales: 153.0 billion yen	Operating profit: 5.5 billion yen

Freshfoods Business

Strengths of our Freshfoods Business

- A seamless system within the Group covering everything from raw materials procurement (including fishing, aquaculture, and purchasing) to processing, and sales
- Initiatives in fisheries to produce and raise fish, enabling high quality and a stable supply
- A comprehensive “three-in-one” business development system

The tuna business saw growth in both sales and profits. The sushi and sashimi business saw growth in sales, but this did not keep pace with rising costs, and as a result, posted a fall in profits. In FY2023, based on the new systems that we have put in place, we will be focusing on expanding sales of products manufactured in-house in our own plants, to achieve further growth in the sushi and sashimi business.

Masaki Miyama

Control over Freshfoods Business Segment
In charge of Freshfoods Business Division
Director and General Manager of Freshfoods Business Division



Main products handled



Skipjack products



Tuna products



Sushi toppings



Farmed red sea bream and other species (shipped chilled)

Business overview by segment (April 2022 to March 2023) (Tuna segment)

In the tuna business, market prices for tuna remained elevated due to a high intensity of transactions at the global level, and although there was a trend toward weaker demand for some ingredient categories, overall, sales of processed items, fatty meat of tuna (*toro*), red meat, and skipjack were strong, and both net sales and profits rose. Sales of southern bluefin tuna improved, and there was significant growth in sales of processed items (particularly items produced in-house in our own plants) through the conveyor belt sushi restaurant channel.

In the aquaculture business, we focused on maintaining the high quality of Pacific bluefin tuna farmed in Japan, which enabled us to secure reasonable profitability.

In the overseas purse seine fishing business, while the catch decreased, there was an increase in both net sales and profits, thanks to a rise in the wholesale price of skipjack reflecting a continuing shortage of supply in the market as a whole.

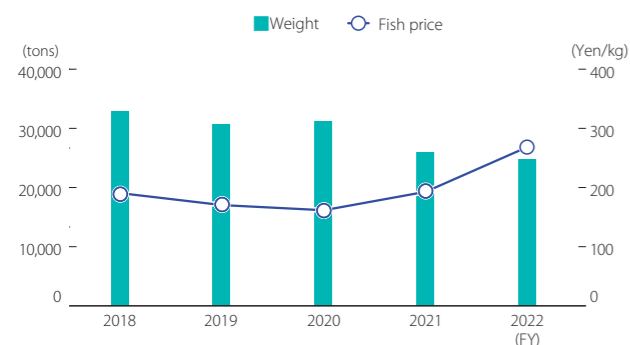
As a result, both net sales and profit exceeded the previous fiscal year.

FY2022 performance (Tuna Business)

Net sales: **39.220 billion yen** (up 14.4% year-on-year)

Operating profit: **5.325 billion yen** (up 438.8% year-on-year)

Overseas purse seine fishing business: Catches



Pacific bluefin tuna aquaculture business: Sales trend



FY2023 policies (Freshfoods Business segment)

The Freshfoods Business Division comprises three departments: the Tuna Business Department, which handles skipjack and tuna; the Sushi and Sashimi Department, which handles sushi toppings, and the newly-established Resources Research & Development Department, which handles aquaculture-related business. The Freshfoods Business represents a new business segment, launched in April 2023 and based on the concept of “generating new business by having three departments that mainly handle fresh food work together as one to offer proposals to customers and develop new sales channels”.

The Tuna Business will be proceeding with the development of its business, building on the seamless integration of every stage from fishing and aquaculture to processing and sales which is one of Kyokuyo’s main strengths.

The Sushi and Sashimi Business will be focusing on enhancing the quality of staple products, as well as further strengthening sales of products manufactured in-house at Kyokuyo’s own plants. By expanding sales of products from our own plants—including salmon products and wild shrimp products from our subsidiary in Thailand, which is our core overseas production facility, and salmon roe products from our plants in Japan—we will be striving to achieve high-capacity utilization rates at the plants, and maintain stable profits. In the aquaculture business, we will be working to expand

sales through the food services sales channel and the mass merchandiser channel.

The Resources Research & Development Department, which was established this year, will be seeking to improve profitability by strengthening production management through the effective use of expert professionals, and we will be expanding the aquaculture business through new business establishment and M&A activity, aiming to realize the goals of strengthening access to resources and stabilizing aquaculture business profitability that were outlined in the company’s Medium-term Business Plan.

FY2023 forecast

Net sales: **73.0 billion yen**

Operating profit: **2.5 billion yen**

Processed Food Business

Strengths of our Processed Food Business

- A broad range of sophisticated manufacturing technology
- Global processing bases and procurement capabilities
- Product development capabilities and organizational strength for safe and reliable products
- Extensive product lineup



Atsushi Hattori

Control over Processed Food Business Segment
In charge of Processed Food Business Division and Research and Development Division
Director and General Manager of Processed Food Business Division

The Processed Food Business Division, a new unit, was launched in FY2023. Focusing on the development of Kyokuyo brand products, going forward, the Division will be striving to provide delicious flavors, enjoyment, and products from the Kyokuyo Group's own production facilities that provide high quality and real value.

▶ Main products handled



Frozen food for industrial use



Frozen food for home use



Shelf-stable foods, health products



Seafood delicacies

Business overview by segment (April 2022 to March 2023) (Foods segment)

As regards frozen food products for industrial use, sales of sushi toppings (mainly for the conveyor belt sushi restaurant channel) increased. In addition, we strove to increase sales of our flagship products, including imitation crab meat, breaded shrimp, shrimp fritters, and the fish fillet products in our Dandori Jozu product line, and succeeded in boosting sales compared to the previous fiscal year. However, profits were squeezed by a rise in the cost of main and ancillary raw materials that exceeded the amount by which prices were raised.

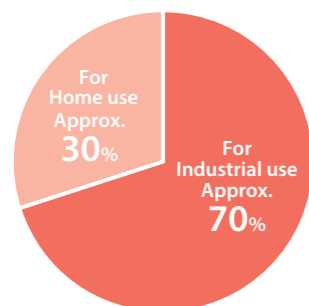
Regarding frozen foods for home use, sales of deli fish products (particularly simmered fish and grilled fish products), which constitute Kyokuyo's flagship products in this segment, remained strong, and sales of products that require cooking in oil for use in bento boxed lunches were steady, so overall this

segment saw an increase in net sales compared to the previous fiscal year.

In terms of shelf-stable foods for home use, as regards canned foods, the environment here remained challenging; for example, we were forced to temporarily suspend sales of canned mackerel because of rising production costs and poor catches. However, by implementing a sales strategy focused on our flagship products, we were able to keep overall net sales at around the same level as in the previous fiscal year. Snack foods and seafood delicacies were affected by a fall in demand for home consumption, as well as rising raw materials prices, leading to a deterioration in net sales.

As a result of the above, net sales exceeded the previous fiscal year, but profit fell below the previous fiscal year.

FY2022 net sales by business type



FY2022 performance	
Net sales:	108.328 billion yen (up 11.8% year-on-year)
Operating profit:	0.936 billion yen (down 10.5% year-on-year)

FY2023 policies (Processed Food Business segment)

The Processed Food Business Division is a new unit established in FY2023, which consists of: the Foodservice Business Department, handling sales of frozen food products (other than sushi and sashimi products) to the commercial sector; Retail and Consumer Business Department 1, which handles frozen food products for the consumer market; and Retail and Consumer Business Department 2, which handles shelf-stable food products for the consumer market. Each department carries out every stage from raw materials procurement to processing and sales, with Kyokuyo's own plants playing a central role. From the perspective of the Processed Food Business, comprising frozen and chilled food products, canned foods, snack foods, etc., as the final year of implementation of the current Medium-term Business Plan, FY2023 will see the final steps in strengthening the foundations for expanding sales in the Processed Food Business and stabilizing its profits. We are aiming to increase profitability by specializing in frozen and chilled food products that require a high level of processing, and by consolidating the range of items that we produce.

In terms of frozen and chilled food products for the commercial market, we will be focusing our sales efforts on products manufactured in Kyokuyo's own plants, including product items that require cooking in oil such as breaded shrimp, imitation crab meat, and the sashimi, simmered fish, grilled fish, and meat products in our Dandori Jozu product line. We

will also be emphasizing the sale of ready-made products that use raw materials produced in Japan, such as walleye pollock, horse mackerel, mackerel, sardines and hairtail.

Regarding frozen and chilled food products for home use, going forward, we will be proceeding with the development of new products that can serve as the main dish on the dinner table, and working to strengthen the line-up of deli products (particularly fish-based products) that are manufactured in Kyokuyo's own plants. In addition, by constantly adopting a customer-focused perspective, we will be concentrating our efforts on creating new products that provide a high level of value.

In the canned foods segment, besides striving to expand our market share in sales of flagship products such as canned mackerel, canned sardines, and canned tuna by strengthening our relationships with leading business partners, we will be working to develop and meet new needs, for example by offering western-style taste canned items and new retort pouch products. We will also be working to expand sales of snack food products by developing new product items.

FY2023 forecast	
Net sales:	73.0 billion yen
Operating profit:	1.7 billion yen

Logistics Business

Strengths of our Logistics Business

- Accumulated know-how for “safe, reliable, and accurate delivery of products”
- Logistics network throughout Japan



Shuichi Kiyama
 Senior Managing Director
 Management Division Supervisor
 Control over Logistics Business Segment
 In charge of Compliance, General Affairs Dept, Human Resources Dept, Quality Assurance Dept and Logistics Dept

Although sales rose in FY2022, profits fell due to the impact of rising electricity charges. In FY2023, we will be striving to realize appropriate, stable management of the space utilization rate,*1 with the main focus being on the Kyokuyo Group’s own inventory, and we will also be addressing the “2024 Problem”.*2

*1 Space utilization rate: the percentage of actual products compared to the capacity of cold storage

Kyokuyo Akitsu Reizo Co., Ltd.

Business overview by segment (April 2022 to March 2023)

With relatively few freight movements, the space utilization rate in our cold storage business remained high, and the resulting increase in storage fee income led to higher sales overall. Sales also rose in the consigned forwarding business, thanks to a strengthening of sales efforts targeting external clients. However, although prices were raised in response to a profit-crimping increase in electricity costs, profits in this business fell.

As a result of the above, net sales exceeded the previous fiscal year, but profit fell below the previous fiscal year.

FY2023 policies

In the cold storage business, we will be striving to implement appropriate, stable management of the space utilization rate, focusing mainly on the Kyokuyo Group’s own inventory. By constantly having an accurate picture of current space utilization status, and implementing sales activities appropriately in line with this status, we aim to ensure that we are storing the right products and expanding our sales.

Regarding the consigned forwarding business, by strengthening sales efforts encouraging external customers to make use of our integrated services, which combine delivery with storage, we are aiming to expand the scope of our business. In our response to the “2024 Problem”,*2 which involves concerns

FY2022 performance	
Net sales:	1.361 billion yen (up 15.8% year-on-year)
Operating profit:	0.203 billion yen (down 6.9% year-on-year)

Related pages: Addressing social problems through the adoption of a truck arrival reservation system at the Kyokuyo Group’s cold storage warehouses → P.37

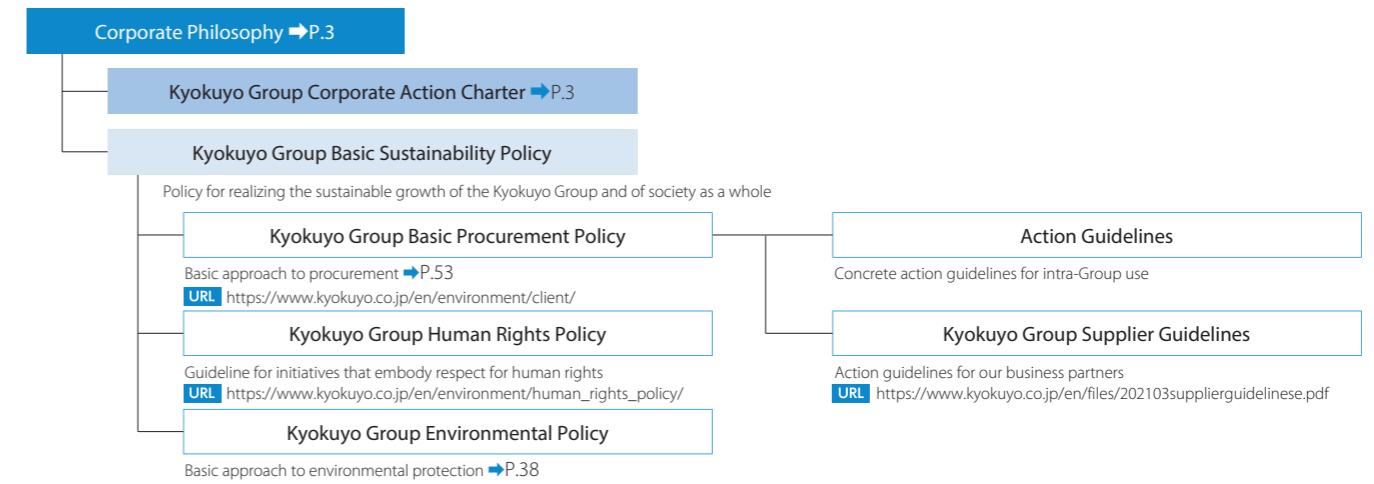
FY2023 forecast	
Net sales:	1.0 billion yen
Operating profit:	0.2 billion yen

*2 2024 Problem: the anticipated shortage of truck drivers caused by tighter restrictions on drivers’ working hours, which will come into effect in 2024.

that there may be a shortage of truck drivers, by promoting the use of an advance reservation system for truck arrivals, we are aiming to reduce the time needed to process truck loading and unloading and the amount of time that drivers spend waiting around, thereby improving operational efficiency.

Sustainability

Kyokuyo Group’s Approach to Sustainability



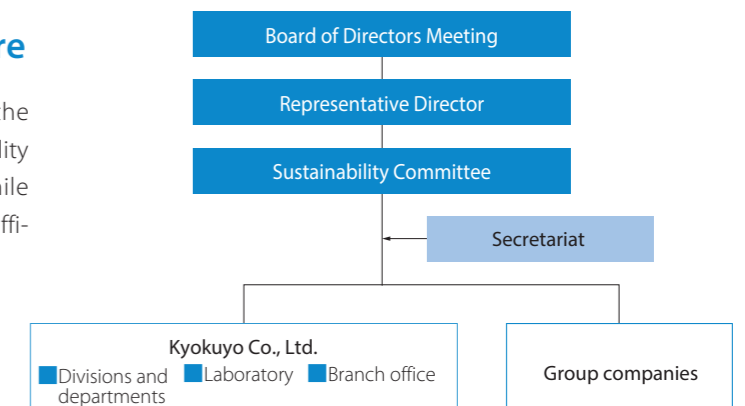
Kyokuyo Group Basic Sustainability Policy

As a general food company with a focus on fish, 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.

- 1. Creation and Sharing of Value**
We solve various social issues and contribute to a healthy and happy lifestyle and food culture by creating and sharing value for society via the provision of safe and reliable products and services.
- 2. 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.
- 3. 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.
- 4. 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.
- 5. Enhancing Corporate Governance**
We strive to conduct fair business activities based on swift and highly transparent management, ensure compliance, and enhance risk management.

Sustainability Organization Structure

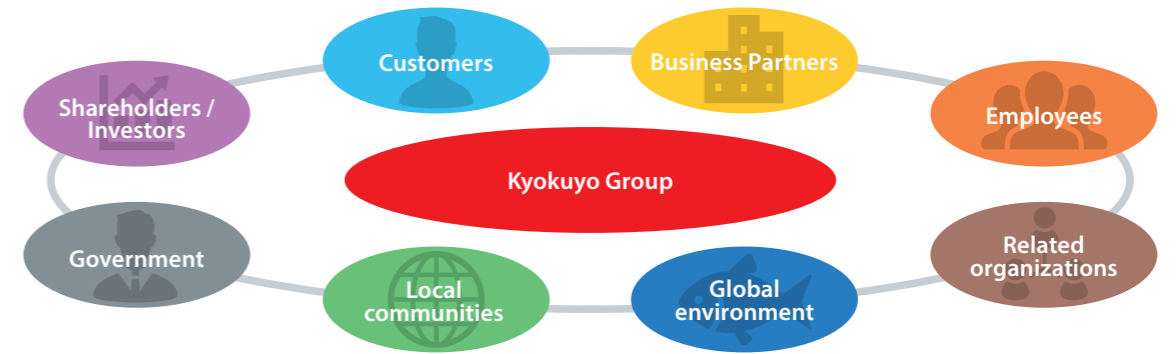
With the Sustainability Committee, which is chaired by the President, playing a key role, we are promoting sustainability activities throughout the Kyokuyo Group as a whole, while thinking carefully about how to achieve greater business efficiency (in terms of cost reduction, etc.) and sustainability.



Approach to Stakeholders



The Kyokuyo Group believes that incorporating the requests and expectations of stakeholders into its business strategies and activities is an essential part of sustainable corporate management. While attaching great importance to communication with stakeholders, we also strive to ensure compliance with laws and regulations, fulfill information disclosure requirements and realize accountability, and build good relationships. We aim to be a business group that grows together with its stakeholders.



Our attitude to stakeholders, the communication methods and opportunities used, the results achieved, and evaluation of these results

Stakeholders	Our attitude to stakeholders
Customers	We emphasize dialogue with customers, think carefully about customers' perspectives, and make effective use of the feedback we receive from customers, and by doing so we can deliver Kyokuyo products that embody a striving for the value that comes from "food to enjoy life".
Business Partners (suppliers, partner companies)	We are committed to conducting fair and equitable transactions with our business partners, building relationships of trust, and fulfilling our social responsibilities together.
Shareholders / Investors	We place great importance on highly transparent management and dialogue, realize accountability, and make use of shareholder and investor feedback in management.
Employees	Based on the principle of respect for human dignity, we will work together with our employees to create workplace environments that embody concern for fairness, impartiality, and human rights, where employees can play an active role with job satisfaction.
Government	Besides implementing appropriate reporting, we will work together with government authorities to implement initiatives aimed at realizing a sustainable marine products industry and safeguarding a healthy ocean environment.
Related organizations	By liaising with related organizations, we will strive to ensure the sustainable utilization of marine resources, while also promoting initiatives aimed at ensuring the stable supply of products that can be consumed with safety and reliability.
Local communities	We will advance activities that contribute to the development of local communities and work to solve social issues through collaboration with various related organizations.
Global environment	We will further our response to climate change, striving to reduce the burden on the global environment, and demonstrating concern for safeguarding biodiversity, while realizing sustainable utilization of resources.

Methods and opportunities for communication	Results / evaluation
<ul style="list-style-type: none"> Daily sales activities Customer Relations Center Product introductions at new product presentations Exhibiting at Japan International Seafood & Technology Expo and other exhibitions Cooperation with campaigns Introduction of products and recipes on our websites; television commercials Holding recipe contests 	<ul style="list-style-type: none"> Developing and selling products that reflect customers' needs (including the "Dandori Jozu" product line, designed to provide meals that can be cooked easily in a short space of time) Developing and selling products that embody concern for human health (including "karushio" products with reduced salt content, and products with additional lactic acid bacteria.)
<ul style="list-style-type: none"> Daily procurement activities Kyokuyo-kai Customers' Association at each branch office Regular plant visits and guidance Kyokuyo Cooperation Association Technical Research Meeting Technical Exchange Workshop in China 	<ul style="list-style-type: none"> Developing closer relationships with business partners by sharing information about the marine products market and catch data, etc. Using periodic visits to factories and the provision of guidance to build relationships in regard to hygiene and facilitate a speedy response in the event of issues emerging
<ul style="list-style-type: none"> Fair, continuous, and accurate information disclosure Active information dissemination and dialogue at shareholders' meetings, IR Presentation, etc. Business reports 	<ul style="list-style-type: none"> Strengthening the mutual understanding between our company, shareholders and investors, through constructive dialogue
<ul style="list-style-type: none"> Human resources consultations Stress checks Harassment consultation hotline Consultation with labor union; Occupational Safety Committee Displaying important notices at group companies in both Japanese and local languages 	<ul style="list-style-type: none"> Allocating the right people to the right posts, by taking into account the results of human resources interviews, etc. Building mutual trust between labor and management through dialogue
<ul style="list-style-type: none"> Implementing appropriate, timely reporting and provision of information Participating in meetings to exchange views and exchange information Technology development through cooperation between industry, government and academia Participating in collaborative initiatives by government and industry aimed at expanding consumption of marine products 	<ul style="list-style-type: none"> Holding recipe contests to demonstrate support for "Fish Day", (established to increase consumption of marine products) as designated by Japan's Fisheries Agency
<ul style="list-style-type: none"> Working together with other companies to solve problems through organizations such as the Japan Fisheries Association, the Marine Eco-Label Japan Council, and the Japan Frozen Food Association Implementing initiatives aimed at realizing a sustainable society 	<ul style="list-style-type: none"> Working together with various organizations to popularize sustainable marine products, and to transition to the use of freezers that utilize natural refrigerants and do not use CFCs Make effective use of Kyokuyo's participation in SeaBOS and CLOMA (which are working to address environmental problems) to obtain the latest information and be able to use first-class case studies to enhance Kyokuyo's own sustainability
<ul style="list-style-type: none"> Providing sponsorship for the Japan Cup Kyokuyo Series canoe slalom competition, as an official partner of the Japan Canoe Federation Acceptance of internships 	<ul style="list-style-type: none"> Helping to prevent plastic waste from entering the oceans by carrying out cleaning activities in the area around the canoe competition venue (Clean River Activities) Hosting students from special needs schools for employment experience internships (Apex Kyokuyo Co., Ltd.)
<ul style="list-style-type: none"> Promoting environmental conservation activities in line with environmental policies Use of environmentally friendly raw materials Initiatives for "Eco Label" products (MSC, ASC, MEL, etc.) Participation in SeaBOS (Seafood Business for Ocean Stewardship) and CLOMA (Clean Ocean Material Alliance) 	<ul style="list-style-type: none"> Controlling the generation of plastic waste by reducing the amount of plastic used in the packaging utilized in plants of the Kyokuyo Group companies Preventing plastic waste from flowing into the oceans by effectively managing the periodic maintenance and repair of the plastic nets and buoys used by the Kyokuyo Group aquaculture companies Using by-product generated when processing skipjack to make <i>neribushi</i> for use as a raw material in <i>dashi</i> broth

Promotion of ESG-focused Management

The Kyokuyo Group is working to address various contemporary issues including growing public awareness of the need for safe, reliable and healthy products, in addition to issues such as climate change, sustainable use resources, and the reduction of ocean plastic waste.



Participation in initiatives

Participating in SeaBOS: Seafood Business for Ocean Stewardship

SeaBOS is a global initiative in which nine of the world's leading seafood companies across the wild capture, aquaculture, and feed production sectors work with scientists to address the challenges involved in achieving the sustainable utilization of marine resources and the realization of a healthy ocean and global environment. SeaBOS's activities are based on the ten commitments listed below.



1. Improve transparency
2. Reduce IUU fishing
3. Listen to science
4. Eliminate modern slavery
5. Reduce use of antibiotics
6. Reduce use of plastics
7. Reduce gas emissions
8. Grow aquaculture
9. Develop and deploy new tech
10. Support innovations

Working through SeaBOS's five task forces – IUU Fishing and Modern Slavery, Biodiversity and Ecosystems, Antimicrobial Resistance, Climate Resilience, and Reducing Ocean Plastics – its member companies work to address various issues, based on a scientific approach.

SeaBOS holds a Keystone Dialogue (at which the CEOs of member companies meet together with scientists) every year in October, where they discuss initiatives and activities relating to the key issues tackled by each task force, and decide on the strategy for the future.

SeaBOS specifically aims to contribute to the achievement of the United Nations' 14th Sustainable Development Goal (SDG): the conservation and sustainable use of oceans and marine resources. Through initiatives at SeaBOS, Kyokuyo will help to resolve various social issues, addressing matters that include ocean plastic waste, while also improving our own sustainability.

* For more information about the ten commitments, please visit the following page on the Kyokuyo website.
 URL <https://www.kyokuyo.co.jp/en/environment/stakeholder/index.html>



Group photo of participants in the 7th Keystone Dialogue



A meeting during the 7th Keystone Dialogue

Participating in the Japan Clean Ocean Material Alliance (CLOMA)

The Japan Clean Ocean Material Alliance (CLOMA), in which industry plays a central role, was established, with support from Japan's Ministry of Economy, Trade and Industry (METI), to address the problem of plastic waste in the oceans, which is a new issue affecting the global environment, by aiming to foster the more sustainable use of plastic products as well as the development and adoption of revolutionary substitute products that can reduce the amount of plastic waste generated.



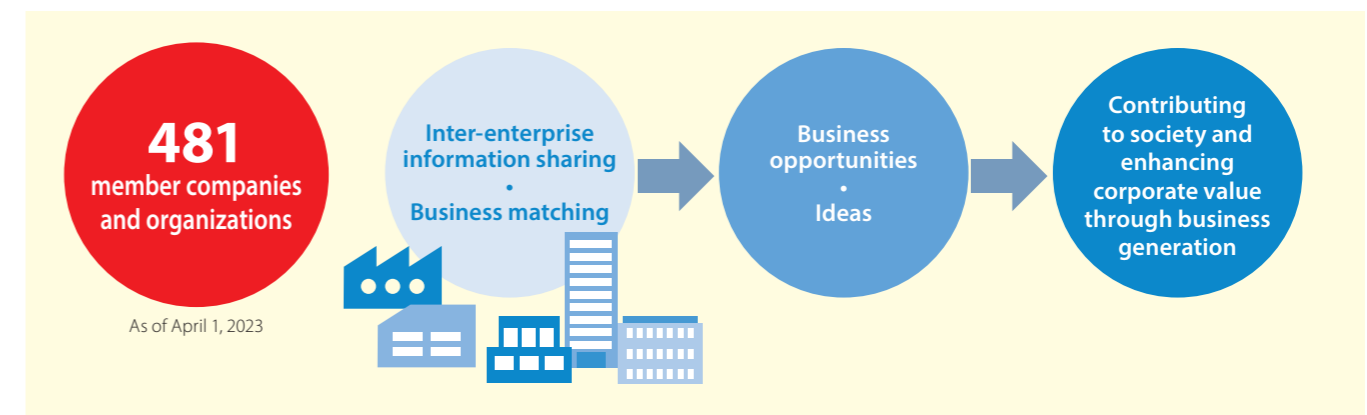
CLOMA implements measures that include inter-enterprise business matching, sharing information about case studies of cutting-edge solutions, keeping pace with the latest trends in technology, liaising with international organizations and overseas research institutes, and promoting collaboration among diverse business enterprises. CLOMA's activities have already led to the creation of new businesses, to the making of a positive contribution to society and to the enhancement of corporate value.

CLOMA's member companies come from a variety of different industries, and to ensure that the organization's activities proceed smoothly, speedily, and efficiently, the three Working Groups shown in the upper right hand corner have

1. Dissemination & Promotion WG: Sharing 3Rs technologies and the technological information to select the alternative materials easily
2. Technology WG: Holding seminars on cutting-edge technologies
3. International WG: Collecting information in collaboration with international organizations and institutions, and dispatch of information and technical consulting for developing countries

been established, and are working to address society's problems, mainly through the exchange of information.

The Kyokuyo Group recognizes that the problem of marine pollution caused by plastic waste is an issue that has a direct relationship with the Kyokuyo Group's business, and which poses substantial risks. Through its participation in CLOMA's initiatives, Kyokuyo is able to access the latest information on new materials and potential substitute products, and by utilizing this knowledge effectively in its own business activities, the Kyokuyo Group works to help solve related issues.



Sustainability Organization Structure

The Kyokuyo Group is working to address various sustainability-related issues including environmental conservation, climate change, responsible procurement and respect for human rights. The Sustainability Committee, led by the President and Representative Director of Kyokuyo Co., Ltd., and with the attendance of every Director, division and department leader,

and group company president, meets twice a year, to set sustainability-related targets, and evaluate and report on sustainability-related activities.

Related page Sustainability → P.32

Digital Transformation (DX)



In order to continue meeting the needs of our customers and 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 problems such as labor shortages.

Helping to solve social problems through the use of AI in frozen food manufacturing plants

The production processes for manufacturing processed marine products normally require products to be sorted by eye, relying on experienced operatives. However, with the aging of the population and the decrease in the number of people working in the marine products processing sector, labor shortages and the inability to transmit skills to a new generation have become a serious problem.

Kyokuyo Co., Ltd. and Kyokuyo Shokuhin Co., Ltd. have been working together with NEC Solution Innovators, Ltd. and the Intelligent Information System Research Center at the School of Engineering, Tohoku University, to conduct field testing for adopting AI-based sorting technology in production facilities.

On the production lines for shrimp fritters, because the shrimps that constitute the raw material all differ slightly in shape from one another, there is inevitably some variation in the shape of the finished product. By adopting AI inspection, not only will it be possible to screen out the second-grade items (which cannot be shipped for sale), the data collection which AI facilitates will also allow Kyokuyo to identify trends in what the finished product looks like, and by making slight adjustment to production line conveyor belt speed and ancillary raw materials, production can be rendered more efficient, keeping the amount of second-grade product that must be rejected down to the absolute minimum.

Through the effective utilization of AI technology equipped with this kind of quality management function, going forward, we will be working both to solve social problems and to make our operations more efficient.

Addressing social problems through the adoption of a truck arrival reservation system at the Kyokuyo Group's cold storage warehouses

In the logistics industry, the problem of truck drivers working excessively long hours has been a long-standing problem. With the Act on the Arrangement of Related Acts to Promote Work Style Reform scheduled to come into effect in April 2024, restrictions will be placed on how much work truck drivers can do beyond regular working hours, which it is feared will make the problem of a shortage of drivers even more serious.

By adopting a reservation system that enables times for loading and unloading of trucks to be booked in advance, the Kyokuyo Group aims to reduce the time that drivers need to spend waiting to be able to load or unload their trucks. Besides reducing the burden on the drivers, the aim is to also to make it possible for the group's cold storage warehouses to operate more efficiently.

As well as using the new reservation system to address the social problems of long working hours and needing to make logistics more efficient, the Kyokuyo Group is also considering further measures in response to the impending "2024 Problem", referring to the shortage of truck drivers and reduction in available delivery resources that we will face in Japan from 2024 onwards.

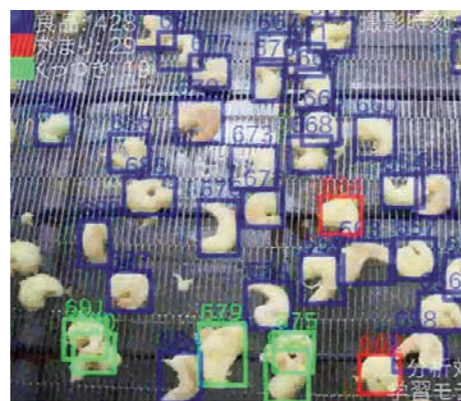
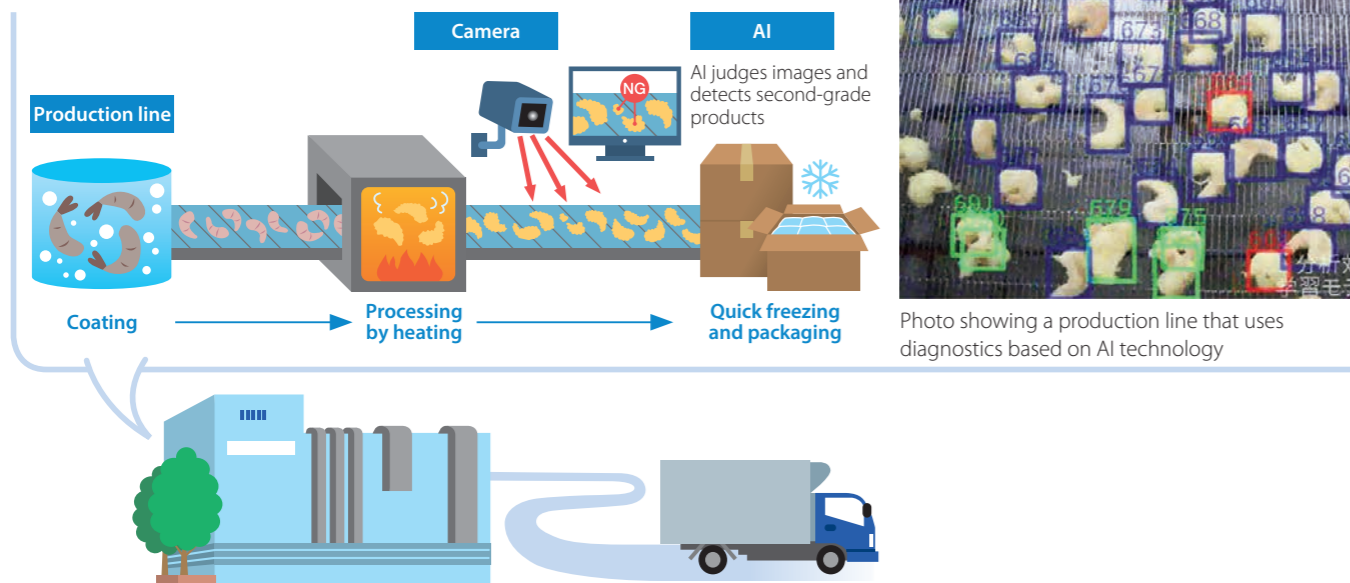


Photo showing a production line that uses diagnostics based on AI technology



Environmental Policy

Environmental Philosophy

Kyokuyo's corporate mission is "Aiming to grow together with society, contributing to a healthy and happy lifestyle and food culture based on management of human respect". Based on this corporate mission, the management will take leadership to contribute to sustainable social development by considering environmental impacts, including climate change, throughout all our business activities and meeting the needs of the international society. As a global seafood company, we are committed to ensuring food safety and security by efficiently using natural resources to conserve biodiversity and ecosystems.

Basic Policies

1. Contribute to Sustainable Social Development throughout Our Business Activities
2. Commit to Improving Our Environmental Performance
3. Comply with Environmental Laws and Regulations
4. Share Our Environmental Education beyond the Kyokuyo Group to Help People Understand Our Environmental Policy

For further information on The Kyokuyo Group Environmental Policy, please refer to our website.

URL https://www.kyokuyo.co.jp/en/environment/environmental_policy/

Topics

Global trends in the state of the world's marine fishery stocks and aquatic food consumption (1974-2019)

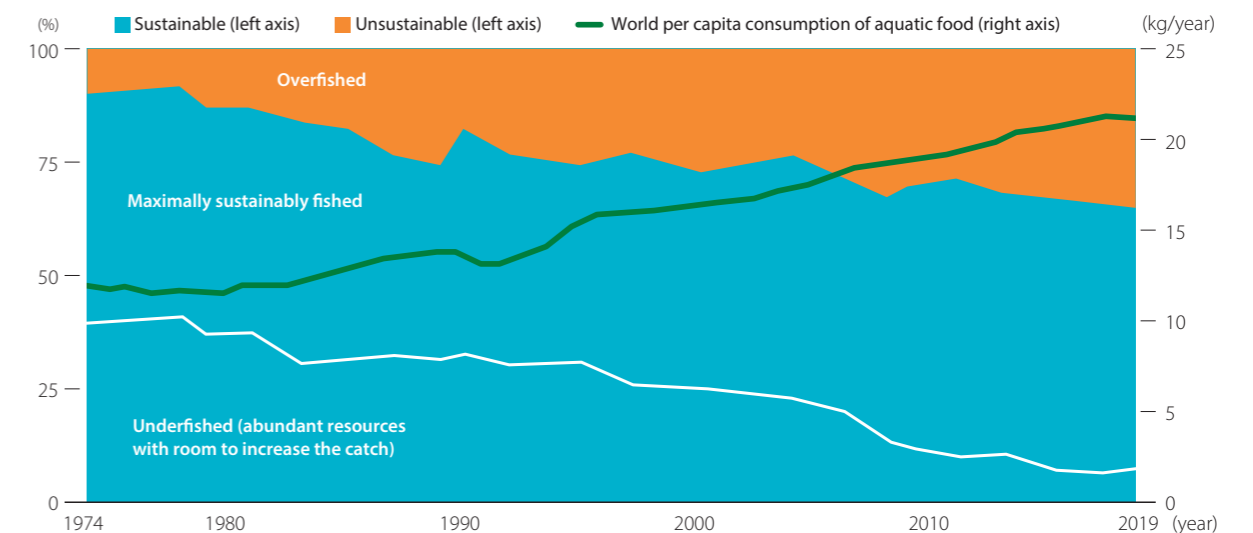
According to the Food and Agriculture Organization of the United Nations (FAO), the percentage of sustainably-fished resources is gradually decreasing, while consumption of marine products is tending to rise.

In 1974, approximately 90% of marine resources were fished at an appropriate level or lower (a sustainable level), by 2019, that percentage had reduced to 64%. Of

the world's marine resources, 57% were being maximally sustainably fished, while the percentage of underfished stocks (abundant resources with room to increase catch) was only 7%.

To be able to continue providing a stable supply of marine products in the future, there is a need for measures to realize a sustainable fisheries sector.

Global trends in the state of the world's marine fishery stocks and aquatic food consumption (1974-2019)



Source: Compiled by Kyokuyo based on FAO, The State of World Fisheries and Aquaculture 2022

URL <https://www.fao.org/3/cc0461en/cc0461en.pdf>

Environment Conservation of Biodiversity



Social issues (background)

- Preventing pollution of the marine environment
- Sustainable and efficient use of marine resources
- Excessive catches due to overfishing and illegal fishing method/operation

Kyokuyo Group's approach

- Conservation of the marine environment
- Preventing excessive catches
- Appropriate conservation and effective use of fishery resources, and full-life-cycle aquaculture of Pacific bluefin tuna
- Expanding the production and sale of certified marine products, which are certified as being sustainable

Kyokuyo Group's position and policy

As the demand for marine products increases due to the growing global population and the wider diffusion of a culture of eating fish, it is becoming increasingly important to use limited fishery resources in a sustainable fashion. In particular, the appropriate management and control, based on scientific evidence, of fishery resources used internationally is a global issue. Therefore, the fishing industry must respect ecosystems and prevent overfishing, ensuring the appropriate conservation of fishery resources and their effective use. The Kyokuyo Group, as a company that handles marine products, is working to ensure this sustainable and efficient use of fishery resources and the active conservation of biodiversity and ecosystems.

Initiatives for reducing the environmental impact of the aquaculture business

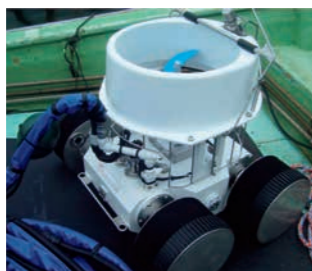
In our aquaculture business, which focuses on fish including Pacific bluefin tuna and red sea bream, we are engaged, from the perspective of respecting nature and conserving biodiversity, in the following activities, with the aim of reducing the impact on the world's ocean environment.

(1) Reducing leftover feed

- We work to adjust the volumes of food provided according to the season, age of the fish and the volume of feed provided on the previous day.
- We also use moist pellets (semi-solid feed), which place less of a burden on the environment.

(2) Cleaning fish farming cages

- Nets are cleaned regularly using a net-cleaning robot (This helps to improve the flow of seawater, and maintains a high-quality environment within the cage).



Net-cleaning robot

Initiatives for sustainable fishing, preventing by-catch, and preventing the outflow of ocean waste

Kyokuyo Suisan Co., Ltd. is, based on the guidelines of the Fisheries Agency (which belongs to The Western and Central Pacific Fisheries Commission (WCPFC)), working to manage fishery resources in order to ensure sustainable fishing.

In order to prevent overfishing, we have established a fishing season in which we do not use fish aggregating devices (FADs), a type of device used to aid fishing. We are also promoting free school fishing*1 in which adult fish swimming at high speed are located using a helicopter and caught in an effort to prevent by-catch of young fish with less swimming power.

When by-catch includes endangered species other than tuna including whales, sharks, rays, seabirds and other species, we act in accordance with regulations.

We carefully control the use of our fishing aids. We attach sonar satellite buoys marked with an identification number and the name of their affiliated vessel to prevent the loss of FADs. We recover these FADs after use. Fishing nets are managed with a priority on preventing damage. When damage occurs, we work to repair nets on board our vessels. Any artificial waste objects caught in our fishing nets are taken back to port and disposed of after we land our catch.

*1 Free school fishing: A method of catching skipjack and tuna that swim at high speed in a school by following the sardines and other prey on which they feed.



The Wakaba Maru fishing vessel with a helicopter

Initiatives for the sustainable use of fishery resources

Given the marked decline in fishery resources, demand for certified marine products, which are certified as being sustainable, is expected to significantly increase in the future, both in Japan and abroad. The Kyokuyo Group began handling MSC*2- and ASC*3- certified marine products in 2006, and since then has steadily increased its number of registered fish species and handling volumes, while expanding the scope of certification.

In addition, Kyokuyo Co., Ltd. and Kyokuyo Suisan Co., Ltd. are members of the Marine Eco-Label Japan (MEL) Council, which is the scheme owner of the Japanese Fisheries Eco-Label "MEL", and our affiliates are also preparing to obtain MEL certification.

Through these initiatives, the Kyokuyo Group strives to increase its handling of MSC / ASC and MEL certified products, contributing to conservation of biodiversity and the sustainable use of fishery resources.



MSC-C-51738



ASC-C-00459

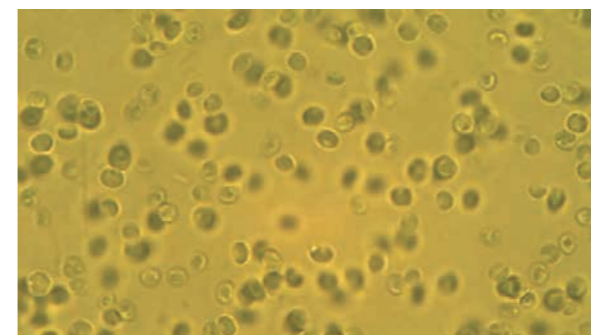


*2 MSC: Abbreviation of the Marine Stewardship Council. An international non-profit organization established in 1997 and headquartered in the United Kingdom. The MSC blue fish label is awarded only to natural marine products caught using sustainable fishing methods from a fishery that has obtained MSC Fisheries Standard certification.

*3 ASC: Abbreviation of the Aquaculture Stewardship Council. An international non-profit organization established in 2010 and headquartered in the Netherlands. ASC manages a system of certification that recognizes only products grown through environmentally and socially responsible aquaculture.

Topics Kyokuyo invests in EBIS Algae Research Institute, Inc.

Microalgae can use sunlight, water, and carbon dioxide to create protein and lipids through photosynthesis, and can reproduce through cell division in the space of just a few days. The special characteristics of microalgae, which include the potential for highly efficient production processes that are also environmentally friendly, have attracted a great deal of interest. The Kyokuyo Group believes that utilizing microalgae in its business operations will contribute toward the achievement of the SDGs, and has invested in EBIS Algae Research Institute, Inc., which is the



Nannochloropsis

*4 Nannochloropsis is a type of phytoplankton that has a diameter of 2–5 μm (0.002–0.005 mm)

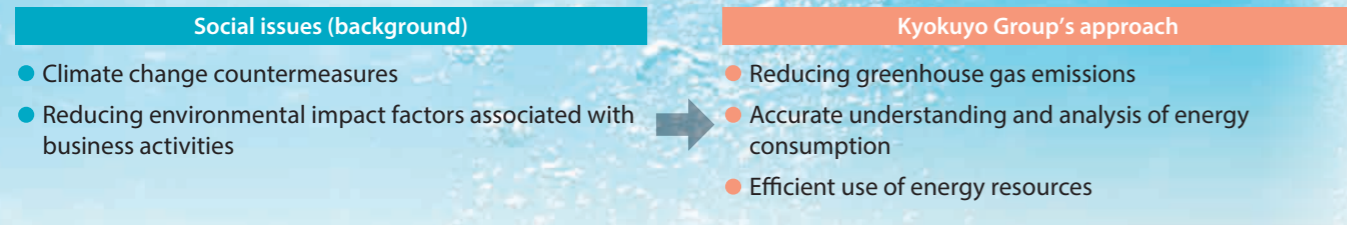
only company in Japan to have established large-scale cultivation technology for Nannochloropsis*4, and has realized commercial-scale production.

It has been confirmed that fish which are fed with fish feed that has Nannochloropsis as part of the formula have enhanced natural immunity, and it is anticipated that effective use can be made of Nannochloropsis in the fish feed utilized in Kyokuyo's aquaculture business. We also believe that Nannochloropsis has a useful role to play in the development of original nutrient-dense food products.



EBIS Algae Research Institute's cultivation facility

Environment Reducing Greenhouse Gas Emissions



Kyokuyo Group's position and policy

Global warming, caused mainly by the increase in emissions of greenhouse gases such as carbon dioxide (CO₂), 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.

So that the Kyokuyo Group can carry on its business into the future and continue growing together with society, 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 Recommendations

The concerns regarding the impact of climate change caused by global warming on social and corporate activities are growing steadily, and there is clearly a need to take appropriate measures in response to the risks posed by climate change. 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

- Identifying the risks and opportunities associated with climate change
- Evaluating the potential impact of the risks and opportunities that have been identified, based on future global temperature rise scenarios
- 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 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

With the Sustainability Committee playing a key role, we are implementing company-wide initiatives to address society's problems, including the issue of climate change.

Chaired by the company's President and Representative Director, the Sustainability Committee meets twice a year. With members that include Directors, the heads of each 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.

Related page: Sustainability Organization Structure → P.32

2. Risk management

The Sustainability Committee identifies and evaluates major risks, based on the potential size of the impact and the likelihood/frequency of occurrence, and formulates response strategies to prevent, avoid, mitigate, and minimize risks, as well as monitoring the progress made in implementing these strategies.

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 as 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

Risk categories	Impacts	Extent of impact		Opportunities	Key response strategies
		1.5°C scenario	4°C scenario		
Transition risks*2	Strengthening of countries' regulations aimed at reducing greenhouse gas emissions	Large	Moderate	<ul style="list-style-type: none"> Reducing the burden associated with the management of machinery that uses CFCs Reduced costs resulting from changes in packaging specifications 	<ul style="list-style-type: none"> 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 Using farmed fish as substitute products
	Strengthening of regulations governing fishing catches	Moderate	Moderate	<ul style="list-style-type: none"> Increased demand for farmed fish 	<ul style="list-style-type: none"> Proactive disclosure of climate change response data Development of environmentally-friendly products and increased use of certified products
	Changes in investors' judgments and actions	Moderate	Moderate	<ul style="list-style-type: none"> Enhancing the company's social value through promotion of ESG-focused management Differentiating the company from its competitors by developing eco-friendly and ethical products 	<ul style="list-style-type: none"> Development of environmentally-friendly products and increased use of certified products
Physical risks*3	Changes in consumer behavior	Large	Moderate	<ul style="list-style-type: none"> Increased demand for eco-friendly and ethical products 	<ul style="list-style-type: none"> Development of environmentally-friendly products and increased use of certified products
	Changes in the ocean environment (rising sea temperatures, and rising sea levels)	Moderate	Large	<ul style="list-style-type: none"> Marine product production that is not dependent on the sea (inland aquaculture) 	<ul style="list-style-type: none"> Development of products that use alternative protein sources Related page: Kyokuyo invests in EBIS Algae Research Institute, Inc. → P.40
Acute	Abnormal weather (Changes in rainfall and weather patterns)	Moderate	Large	<ul style="list-style-type: none"> Increased demand for products with long storage life 	<ul style="list-style-type: none"> Risk-hedging through dispersal and adjustment of logistics hubs Strengthening the disaster resilience of aquaculture facilities, plants, and cold storage facilities
	Obstacles to raw materials procurement and product supply caused by logistics disruptions	Moderate	Large		

*2 Risks arising from the transition to the decarbonized society *3 Risks relating to natural disasters, etc. caused by climate change

4. Indicators and targets

In our Build Up Platform 2024 Medium-term Business Plan, the Kyokuyo Group has announced that we will be implementing measures aimed at realizing carbon neutrality by 2050. 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*)	2050	As noted below*5	Reducing CO ₂ emissions by 1% compared to the previous year (Scope 1 + 2)	<ul style="list-style-type: none"> Activities, such as inspections, to reduce resource consumption in day-to-day business activities Adoption of energy-saving equipment when replacing refrigeration equipment
Reducing the amount of plastic used in packaging	2030	Affiliated companies' plants	Reducing the volume of plastic used in packaging by 30% (reference year: 2019, on a plastic usage intensity basis)	<ul style="list-style-type: none"> Switching over to materials with lower CO₂ emissions Utilization of non-tray packaging Reducing the size of packaging materials, etc.

*4 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.)
*5 Scope: Kyokuyo Co., Ltd. (headquarters, branch offices, and Research and Development Division Laboratory); Kyokuyo Akitsu Reizo Co., Ltd. (Jonanjima sales office, Tokyo cold storage facility, and Fukuoka cold storage facility); Kyokuyo Shoji Co., Ltd.; Kyokuyo Shokuhin Co., Ltd. (Shiogama Plant, Hachinohe Plant, and Hitachinaka Plant); Kyokuyo Suisan Co., Ltd. (Oigawa Plant and Souemon Plant); Kyokuyo Sougou Service Co., Ltd.; Kyokuyo Foods Co., Ltd.; Kyokuyo Fresh Co., Ltd.; Ibusuki Shokuhin Co., Ltd.; Integrate System Service Co., Ltd.; and Kaiyo Foods Co., Ltd.

For more details, please visit our corporate website. [URL Japanese link: https://www.kyokuyo.co.jp/environment/climate/index.html](https://www.kyokuyo.co.jp/environment/climate/index.html)

Decarbonization and eliminating the use of CFCs

We are proceeding with initiatives to reduce fossil fuel usage by switching over from gasoline-powered vehicles to hybrid vehicles and electric vehicles, while investing in renewable energy and transitioning to refrigeration equipment that does not rely on CFCs. Focusing mainly on our plants and cold storage facilities, going forward, we will be proceeding with activities to enhance energy efficiency through regular inspections and improvement efforts, and promoting a transition to using machinery with a lower environmental footprint, as we aim to realize decarbonization and a move away from CFCs.

For environment-related data such as energy consumption and CO₂ emissions performance, please refer to the Kyokuyo Group ESG Databook.
[URL https://www.kyokuyo.co.jp/en/ir/library/library_reports02/index.html](https://www.kyokuyo.co.jp/en/ir/library/library_reports02/index.html)

Examples of our initiatives

<p>Installation of charging points for electric vehicles Kyokuyo Akitsu Reizo Co., Ltd.</p> 	<p>Installation of solar panels Jokki Co., Ltd.</p> 	<p>Adoption of CFC-free refrigeration equipment Kyokuyo Akitsu Reizo Co., Ltd.</p> 
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Efforts to Reduce Plastic Waste



Kyokuyo Group's position and policy

Approximately 8 million tons of plastic reportedly enter the world's oceans every year, and ocean plastic waste is currently a major global issue. 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 particles, plastic continues to drift in the ocean, without breaking down. As a result, the volume of plastic continues to grow.

The Kyokuyo Group's business depends on the oceans, which cover 70% of the earth's surface. If ocean plastic waste continues to increase at current rates, not only will the health of the ocean be compromised, but it will also cause a major problem for the sustainability of our Group's business.

Our Group plants, which use plastic packaging materials in the manufacturing of their products, are working, from the product design stage onward, to consider appropriate materials, assess product safety, and review manufacturing processes, and our Group aquaculture companies, which use plastic buoys, fishing nets and other equipment, carry out daily maintenance and inspection work to help keep plastic waste out of the oceans. The Kyokuyo Group is making a concerted effort to reduce both the volume of plastic used in packaging (which is a major source of plastic waste) and the overall amount of plastic waste entering the oceans.

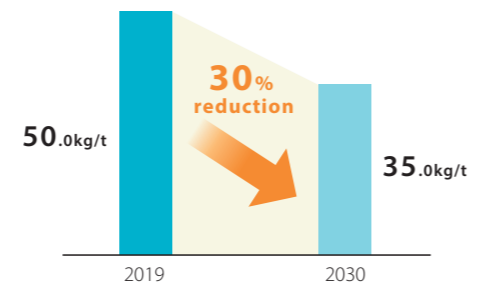
Reference: National Consumer Affairs Center of Japan website
 URL Japanese link: https://www.kokusen.go.jp/wko/pdf/wko-202102_07.pdf



Initiatives to reduce the amount of plastic used in packaging

Reflecting our awareness of the issues, in 2022 we identified the goal of reducing the volume of plastic used by 30% by 2030 (reference year: 2019, on a plastic usage intensity basis). Our whole Group is working together to achieve this goal.

Our efforts to reduce plastic usage focus on three areas: replacing materials, using non-tray packaging, and downsizing. In future, we need to collaborate with our business partners, promoting various initiatives as we take on board new methods.



Replacing packaging materials

Kyokuyo Shokuhin Co., Ltd.'s Hachinohe Plant

- Material used in boxes for salt-cured coho salmon was switched from expanded polystyrene (Styrofoam) to paper (cardboard)



Non-tray packaging

Jokki Co., Ltd.

- Jokki's seafood delicacy products are no longer packaged using plastic trays, instead being placed directly into bags
- The weight of packaging material has been reduced from 4.1g to 2.5g, reducing the volume of plastic used to package each product by 39%



Product (before improvement) Bag and tray

Preventing plastic from flowing into the oceans: Regular replacement of fishing nets

Group companies in Shikoku responsible for the aquaculture of tuna (Kyokuyo Marine Ehime Co., Ltd., Kyokuyo Marine Farm Co., Ltd., Kyokuyo Feed One Marine Co., Ltd.) conduct repairs and maintenance in the course of their daily work to prevent plastic components of fishing nets and buoys used in

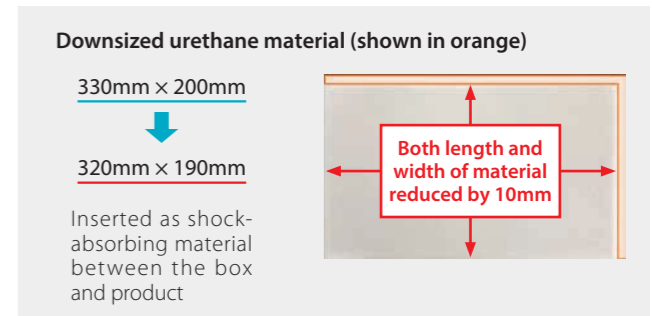


Checking buoys for damage

Downsizing

Kyokuyo Shokuhin Co., Ltd.'s Hitachinaka Plant

- The amount of plastic used for a shock-absorbing urethane mat used to package Alaska pollock roe products for business customers was reduced by 10mm in both dimensions
- Reducing the width of the package in by 10mm reduces the amount of plastic required by 8%



Aquaculture fish cages and buoys

Achieving a Circular Society



Social issues (background)

- Reducing environmental impact associated with business activities

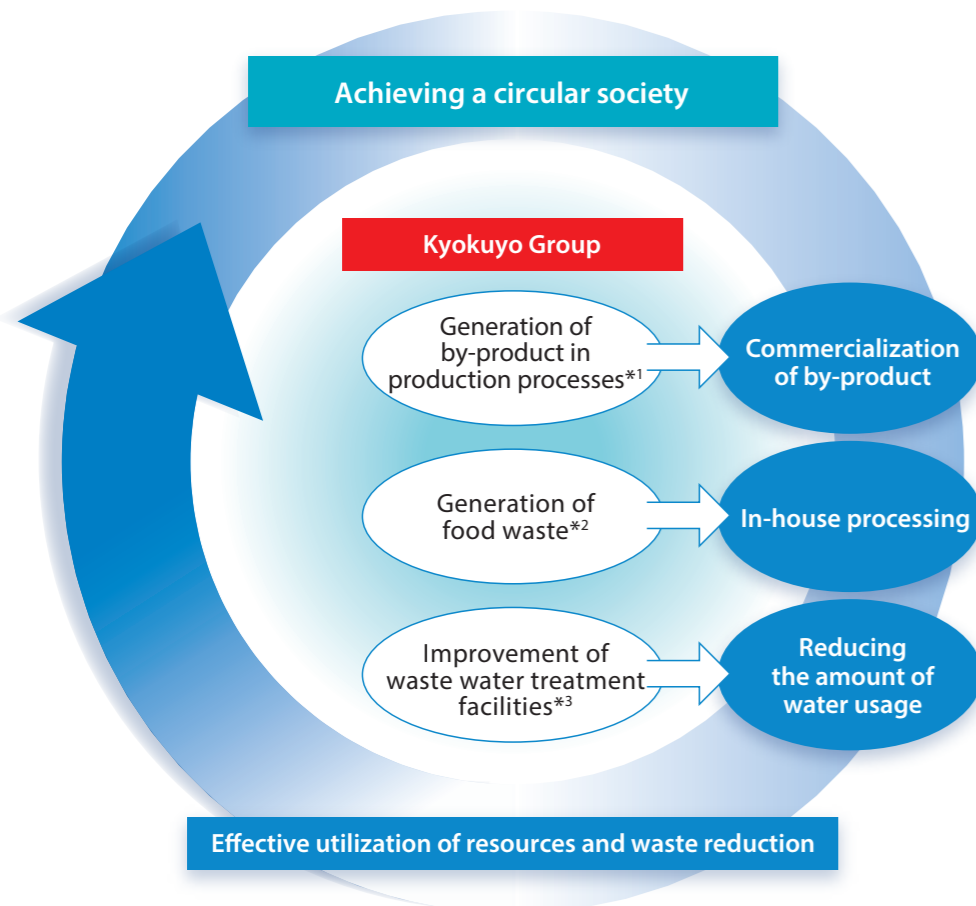
Kyokuyo Group's approach

- Efficient use of food waste
- Sustainable use and management of water

Kyokuyo Group's position and policy

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

The Kyokuyo Group's approach to achieve a circular society



*1 Generation of by-product in production processes

Ibusuki Shokuhin Co., Ltd., which principally manufactures skipjack-based products, uses material removed during the processing of skipjack to produce *neribushi*, a product sold commercially as soup stock.

*2 Generation of food waste

Since 2003, Kyokuyo Foods Co., Ltd., which produces imitation crab meat, has been using microbes to dispose of waste food generated during the production process.

*3 Improvement of waste water treatment facilities

The production of salmon roe at Kyokuyo Shokuhin Co., Ltd.'s Hitachinaka Plant has been transferred to Kyokuyo Shokuhin Co., Ltd.'s Shiogama Plant. As a result, it was determined that the Shiogama Plant would require wastewater processing facilities with approximately 1.2 times the capacity of existing facilities, but we succeeded in achieving the required wastewater processing capacity with the existing facilities by activating bacteria and efficiently mixing the wastewater, and we were also able to reduce the amount of water needed for processing.

The Kyokuyo Group will continue to use knowledge from our laboratory and the latest technology in an effort to reduce all kinds of impacts on the environment.

Efficient utilization of food waste and sustainable use and management of water

For data relating to the amount of food waste processed and the amount of water used, please refer to the Kyokuyo Group ESG Databook.

URL https://www.kyokuyo.co.jp/en/ir/library/library_reports02/index.html



Creating a Comfortable Working Environment and Human Resource Development



Social issues (background)

- Promoting productive and rewarding employment with decent work
- Providing opportunities for women to participate in decision-making in various areas of society

Kyokuyo Group's approach

- Fair and equitable employment regardless of nationality or gender
- Creating workplaces that respect the diversity of work styles and are conscious of work-life balance
- Promoting women's empowerment

Kyokuyo Group's position and policy

Kyokuyo believes that creating a comfortable workplace has many benefits, including motivating employees to work and encouraging them to demonstrate their abilities. This results in improved productivity and efficient management, while helping to prevent mental health issues. Therefore, we are working to introduce and operate systems that conform to laws and regulations and which are consistent with our Corporate Philosophy and the principle of "human respect".

Creating a comfortable working environment

Diversity Management Initiatives

We implement various programs to ensure that the talents of female employees are fully reflected into our company's work including training and consultation for potential future female leaders, a job rotation system designed to provide a wide range of experience for career building and improve motivation, and a system of reemployment for employees who left the company for reasons including taking time away to look after their children. Through these programs, we aim to increase the percentage of female executives, create an environment that supports female employees, and foster personnel development.

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 time off to look after the children.

Overview of the new human resources system



Adopting a new human resources system

Introducing a fairer, more transparent human resources system which is suited to today's diversified workstyles and changing lifestyles

In FY2023, we introduced a new human resources system, with the aim of making Kyokuyo a dynamic company where employees can work with a high level of enthusiasm and motivation.

The new human resources system is a flexible framework suited to today's diversified workstyles and changing lifestyles, which enables employees to be evaluated more appropriately based on their contribution to the organization, their capabilities, and their attributes. The system is designed to increase the speed at which capable younger employees are promoted, so that they can take on managerial roles earlier than would have been the case in the past.

In addition, the mandatory retirement age is being increased from 60 to 65, so that we can effectively utilize senior talent who possess enthusiasm and expertise, while also helping us to adapt to the changing external environment (with the decline in the working-age population and changing legal requirements).

By introducing a human resources system that aligns with the motivation and capabilities of all employees regardless of age, from young employees to senior personnel, we will be able to enhance overall fairness and employees' acceptance of evaluations, realizing a situation where promotions and pay rises reflect the results that individuals have achieved in their work.

The making of these adjustments to the human resources system has brought about an increase in average annual salary of around 20%, and an increase of around 30% in starting salaries.

Promoting women's empowerment – A female manager

The types of work that I have undertaken up until now

When I first joined the Kyokuyo Group, I was assigned to the General Affairs Department of a Kyokuyo subsidiary, where the work that I was involved in covered every aspect of accounting, human resources, and labor affairs, so I was able to develop a systematic understanding of how the company operated. Initially, because the scope of my work was so broad, I had to work very hard to get tasks completed within the deadline, but as I accumulated experience, by spending the time needed to acquire specialist knowhow, I found that I was able to overcome all kinds of obstacles.

After transferring to the Sales Administration at headquarters, I had overall responsibility for management accounting, accounting relating to individual departments, and customs clearance related matters. I constantly strove to upgrade my skills so that I could develop a multi-faceted understanding of the Kyokuyo Group's revenue and expenditure, and be able to make good decisions.

Words that helped me to grow as a person

My career since joining the company was not all plain sailing, and I frequently encountered setbacks. At such times, one thing that helped me was to ponder on a

poem by Noriko Ibaragi: "The least you can do is defend your own sensitivity you fool!" I do not think of myself as being a particularly strong person, but I do feel that I have grown as a person, at least slightly, in terms of being able to control myself and cope with problems better than I used to.

Looking ahead to the future

I feel that, in the future, it will be more important than ever to be aware of what is going on around you, and to carry out your work rapidly and efficiently. In addition, I want to try to promote the building of a workplace environment which is conducive to cultivating the skills of younger employees so that their human capital can make a strong contribution to the Kyokuyo Group.



Risa Toma
General Manager
Sales Administration

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

Background to joining Kyokuyo

Prior to joining Kyokuyo, I worked at a tax accountant corporation, where my work involved tax returns, tax consultations, etc. I wanted to be involved in company management as a participant rather than as an outsider, and although the fisheries sector was unfamiliar to me, I decided to apply to join Kyokuyo, because I knew that the company was constantly expanding into new business areas, and that the scope of its operations was increasing, both within Japan and overseas.

Types of work undertaken

The Accounting Section of the Business Management Department mainly undertakes work relating to management accounting and tax returns, including account settlement (both non-consolidated and consolidated), compilation of materials for disclosure (such as annual securities reports), and preparation of monthly revenue and expenditure forecasts. The section also examines the accounting treatment needed for accounting in relation to new businesses, and for responding to changes in the accounting and taxation system.

Kyokuyo's corporate culture

I feel that Kyokuyo is a company where different departments work closely with one another, with smooth inter-departmental communication. Kyokuyo also has a lot of mid-career hires working here, so it is a good working environment.

Looking ahead to the future

The Accounting Section is mainly staffed by younger employees, and I want to help build an environment in which every employee can acquire specialist knowhow and get experience across a diverse range of work areas, so that they can work with a real sense of motivation.



Jun Sawano
Manager, Accounting Section
Business Management Department

Diversified workstyles – Taking childcare leave

After taking maternity/childcare leave for the second time, I returned to work in 2022. As the COVID-19 pandemic was still ongoing, this was a period with a lot of uncertainty, but because I had been talking with my supervisor ever since my pregnancy, I was able to take up my work again with peace of mind. I am currently making use of the company's Shortened Working Hours for Childcare System, enabling me to pick up my children at 17:30 every day. As I want to be able to find as much time for work as possible, being able to take care leave in hourly increments is a great system, enabling me to take the children to see the doctor in emergencies. Working at a company that has these kinds of systems in place provides encouragement for balancing work and childcare responsibilities.



IT Operation Section
Division of Information Technology
General Affairs Department

Comment from her supervisor at the time

At Kyokuyo, the number of female employees who are making a significant contribution while balancing work and childcare responsibilities has grown rapidly. With the comprehensive range of systems that have been put in place by the company to provide support for working women, including the maternity and childcare leave system and the shortened working hours system for employees with childcare needs, the fact that senior employees have been proactively making use of these systems creates an environment in which it is easier for younger employees to use them. In addition, because we implement job rotation on a regular basis within our section and share tasks, when one of the staffs in the section wants to take childcare leave, we can handle the transferring of their work to others very smoothly.



Takuya Koizumi
Manager,
Sales Administration Section 3
Sales Administration

Creating a workplace environment that is employee-friendly for everyone

At Kyokuyo Group companies that host technical intern trainees from Vietnam and other countries under the Technical Intern Training Program, efforts are being made to build a workplace environment that is employee-friendly for all, by displaying warning notices in the workplace that are written in both Japanese and the trainees' own languages.



Warning notices displayed at a Kyokuyo Group company (written in both Japanese and trainees' own language)

Improving the working and living environment on overseas purse seine fishing vessels

Wakaba Maru No. 11, an overseas purse seine fishing vessel built for catching skipjack which put out to sea for the first time in August 2022, has been designed, with great attention to detail, as a larger boat with more space to work in. The aim is to make working easier and provide a safer working environment for the crew, who spend around six weeks at sea on each fishing expedition.

To suit the lifestyle preferences of younger crew members, the boat uses high-speed Wi-Fi to provide a more convenient internet access environment. The crew accommodation and dining room have been enlarged, seeking to provide the crew with a living environment that is virtually the same as on land.

Adoption of mental health measures and stress checks

Besides having established an external contact window, Kyokuyo also implements stress checks on an annual basis. In addition, one of the preconditions for promotion to a managerial position is having taken and completed a distance learning program in mental health management. Kyokuyo is proceeding with efforts to build an employee-friendly environment, for the benefit not only of individual employees but of the organization as a whole.

Harassment prevention and effective utilization of experts

We are working to build a safe and happy working environment in which all employees respect one another. Besides disseminating circulars and notices at the beginning of each fiscal year, we have put in place measures relating to the prevention of all types of harassment, including the retention of qualified experts (clinical psychologists, psychiatric social workers, etc.) and the establishment of an external contact window, in order to be able to respond properly in the event that incidents of harassment do occur.



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) and changes in household structure
- New lifestyles choices resulting from the coronavirus pandemic (the new normal) and an increased tendency to eat at home
- Growing demand for food safety and increasing health needs

Kyokuyo Group’s approach

- Contributing to popularization of eating fish and reduction of labor at food preparation sites through efforts such as the development of products that meet consumer needs
- Contributing to a healthy food culture through product development that meets the needs of the growing numbers of health-conscious people
- Delivering wellness to more people through deliciousness by making use of customer feedback in an effort to create products for the elderly and nursing care food markets
- Focusing on food that is not only quicker and easier to prepare, but also on “Food to Enjoy Life” and food that promotes “Feeling well”

Kyokuyo Group’s position and policy

In Japan, people are eating less fish than before due to changes in lifestyle and household structure. However, seafood contains high-quality animal protein, and is low in calories and rich in nutrients such as vitamins and essential minerals. It also contains functional ingredients such as DHA and EPA.

The Kyokuyo Group, as a general food company focusing on fish products, continues to drive progress in Research and Development, and product development, to provide time-efficient, convenient solutions to meet customers’ demands for time saving. Through the sales of products that meet consumers’ strongest needs for health-conscious products, we are focused on providing products that represent “food to enjoy life”, aiming to put in practice our corporate policy of contributing to a healthy and happy lifestyle and food culture.

Examples of products in the Dandori Jozu range



Creating time value

Helping to solve problems in the elderly food and nursing care markets 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 launched the Dandori Jozu product line of frozen food products, featuring products that have had the bones removed, etc., and which can be cooked rapidly from frozen. The Dandori Jozu range celebrated its 10th anniversary in 2023.

In creating the products in the Dandori Jozu range, we have made use of valuable advice from nutritionists, etc. working in the field in medical and care facilities. Going forward, we will continue with similar initiatives, aiming to expand the lineup of product items in this range, and implementing sales promotion, as we strive to help solve the social problems relating to staff shortages at medical, care and social welfare facilities.

Food to enjoy life

The impact of eating fish on health—Functional nutrients contained in marine products

Fish and shellfish provide much that our bodies require, including a range of nutrients such as vitamins (D, E, B12), necessary minerals (calcium, potassium, magnesium), and a diverse range of functional elements including highly unsaturated fatty acids (DHA: docosahexaenoic acid, EPA:

eicosapentaenoic acid). Research demonstrates that increasing fish consumption reduces the risk of myocardial infarction, and eating marine products has clear health maintenance benefits. The Kyokuyo Group contributes to a healthy food culture through the stable supply of marine products.

Major functional nutrients found in marine products

Functional nutrients	DHA	EPA	Astaxanthin	Taurine	Anserine	Balenine
Species containing significant amounts of the nutrient	Fatty meat from Pacific bluefin tuna, Salted salmon roe, Yellowtail, Mackerel	Maiwashi, a type of sardine (Sardinops melanostictus), Mackerel, Fatty meat from Pacific bluefin tuna, Yellowtail	Salmon, Krill, Sakura shrimp, Red sea bream	Turbo sazae (type of shellfish), Oyster, Cuttlefish, Dark tuna meat	Tuna, Skipjack tuna, Salmon, Shark meat	Whale meat
Brief explanation of nutrient / expected benefits	<ul style="list-style-type: none"> • Highly unsaturated fatty acids found in significant amounts in fish oil • Promotes brain development, prevents dementia, prevents deterioration of vision, prevents and improves arteriosclerosis, anti-carcinogenic action, other effects 	<ul style="list-style-type: none"> • Highly unsaturated fatty acids found in significant amounts in fish oil • Tension of thrombosis, anti-inflammatory activity, prevention of high blood pressure, other effects 	<ul style="list-style-type: none"> • A type of carotenoid • Anti-oxidant effect in vivo, benefits for the immune system 	<ul style="list-style-type: none"> • A type of amino acid • Preventing arteriosclerosis, preventing cardiac conditions, preventing gall stones, preventing anemia, improved liver detoxification, restoration of eyesight, and other effects 	<ul style="list-style-type: none"> • Dipeptide created through the combination of two amino acids • Anti-oxidant effect, reduction of uric acid, pH buffering effect, other effects 	<ul style="list-style-type: none"> • Dipeptide created through the combination of two amino acids • Anti-fatigue effect due to antioxidant action

Source: based on data taken from “principal functional nutrients included in marine products”, Ministry of Agriculture, Forestry and Fisheries website
 URL Japanese link: https://www.maff.go.jp/j/pr/aff/1401/spe_1_01.html

Sale of products produced from opah (moonfish), which includes balenine, a nutrient with anti-fatigue properties

Balenine is a dipeptide, created through the combination of two amino acids. It is known to prevent fatigue. There are also some reports that it may work to 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*1. Only a limited number of marine species contain significant volumes of balenine. Previously, only in baleen whales were thought to contain balenine. However, our research and development and laboratory, in cooperation with Fisheries Technology Institute, Japan Fisheries Research and Education Agency, analyzed the flesh of an opah (moonfish) by-catch from the long line of an oceangoing fishing vessel, and discovered the presence of balenine at a higher concentration span in baleen whales*2.

By providing opah (moonfish), which contains significant volumes of balenine, a nutrient with fatigue-reducing and dementia-prevention properties, we hope that we can make some contribution to improve quality of life in our high-stress rapidly-aging society.

*1 Source: Fisheries Technology Institute, Japan Fisheries Research and Education Agency; Research Trends, Major research results published by Fisheries Technology Institute, No. 16 (2017)

URL Japanese link: http://nrips.fra.affrc.go.jp/ugoki/pdf/ugoki_016_011.pdf

*2 Source: Fisheries Science, Vol. 84, No. 6 Analysis of balenine in muscle extract of opah *Lampris guttatus* with automatic amino acid analyzer

URL English abstract, paper in Japanese: https://www.jstage.jst.go.jp/article/suisan/84/6/84_18-00010/_pdf-char/ja

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 is an effective method of preventing high blood pressure. The ideal daily salt intake is believed to be no more than 7.5 g for an adult male, and no more than 6.5 g for an adult female*3.

Japan’s National Cerebral and Cardiovascular Center is currently promoting the concept of *karushio* (“light on the salt”), which focuses on reducing salt usage to bring out the taste of ingredients. In accordance with this campaign, the Kyokuyo Group continues to supply customers with healthy products containing a lower salt content, including certified *karushio* products.

*3 Source: Ministry of Health, Labour and Welfare, *e-healthnet* health information website for lifestyle disease prevention – “High Blood Pressure”

URL Japanese link: <https://www.e-healthnet.mhlw.go.jp/information/metabolic/m-05-003.html>



Providing Safe and Reliable Products



Social issues (background)

- Increasing interest in food safety and reliability
- Initiatives to improve quality

Kyokuyo Group's approach

- Creating a system for safety and reliability
- Disseminating accurate product information
- Improving the environment at production sites

Basic Policy for Quality Assurance

Providing Products with Safety and Security

We give highest priority to providing safe and secure products to customers, and construct, maintain, and continuously review systems to achieve this goal.

Complying with the Law

We comply with all laws related to food, such as food sanitation law. We also comply with voluntary rules that are separately defined.

Providing Accurate Information

We accurately convey information on our products to customers in a manner that is easy to understand.

Sincere Customer Support

If an incident or complaint should occur with one of our products, we swiftly and sincerely prevent the spread of damage, investigate the cause, plan countermeasures, and report to the customer, etc.

Enhancing food defense and food safety at processing sites

Major Categories of Kyokuyo Food Defense Guidelines

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

Initiatives to improve quality

With the aim of improving product quality at all our factories, in February each year, the Kyokuyo Group holds meetings of the Kyokuyo Cooperation Association Technical Research Meeting, which brings together the partner companies contracted to process our products. These meetings have been held since 1986, and a meeting was held for the 49th time in 2023.

We share explanations and requests related to reports of complaints that have been addressed to the company, requests we have received, 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 practice.

We provide opportunities for the personnel responsible for product quality control at each manufacturing plant and at company headquarters to acquire the knowledge they need, for example by inviting speakers from outside the Group to give lectures on specialist topics.

Kyokuyo Cooperation Association Technical Research Meeting

This meeting shares information on the following initiatives, etc.

- Quality control
- Elimination of insects and mice
- Lectures on inspection equipment
- Lectures on microbe inspection



Kyokuyo Cooperation Association Technical Research Meeting

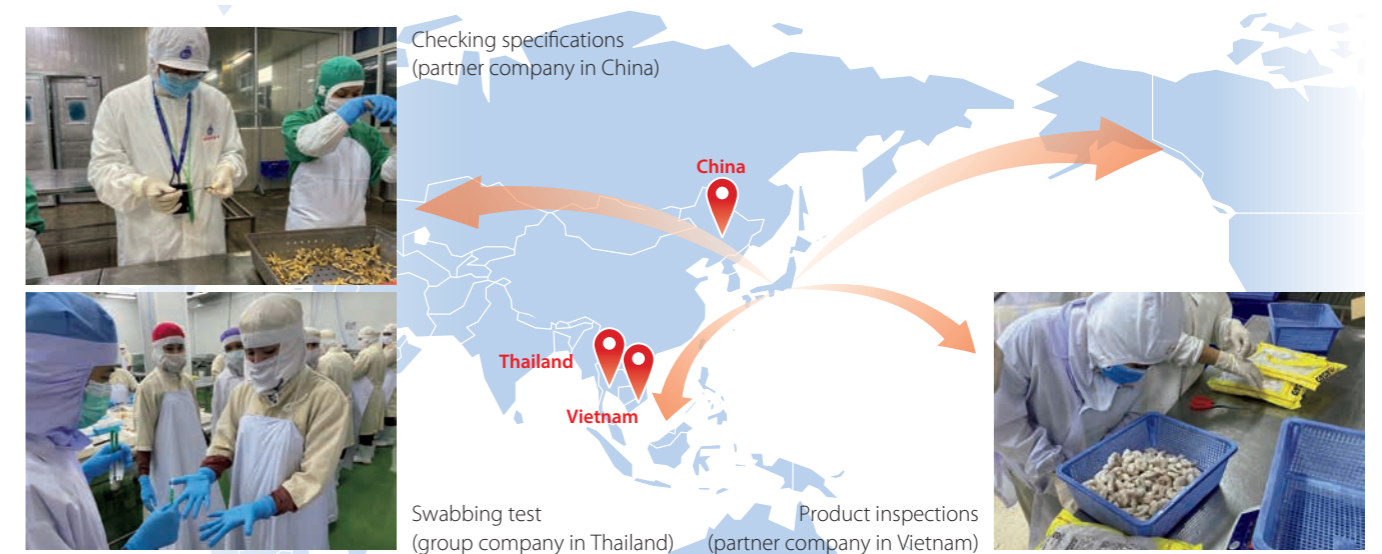
Improving the environment at production sites

The Kyokuyo Group works to achieve quality assurance. These activities center on our Quality Assurance Department and prioritize the procurement of safe and reliable foods. 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, Japanese and local product quality control specialists are permanently stationed on-site, 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>



Securing of FSSC 22000 certification by Kyokuyo Foods

Kyokuyo Foods Co., Ltd., which manufactures more than 6,000 tons of frozen foods—mainly Ocean King imitation crab meat—every year and is developing export sales, has secured FSSC 22000 certification, which includes food defense, which is not covered by HACCP management (the foundation for food safety) or by ISO 9001 international quality management system 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.



Kyokuyo Foods Co., Ltd.



Imitation crab meat production

Social Supply Chain Management



“Responsible procurement” based on Kyokuyo Group Basic Procurement Policy

At present, various social and environmental issues are driving a growing interest in corporate social responsibility (CSR) for the realization of a sustainable society. Companies are now required not only to pursue “economic value” such as sales and profits, but also “social value” that helps to resolve social issues.

The Kyokuyo Group is determined to fulfill its social responsibility and to do its part to realize a sustainable society through ESG-focused business activities, based on its Corporate Philosophy and the Kyokuyo Group Corporate Action Charter. Accordingly, we have formulated Kyokuyo Group Basic Procurement Policy*1 in line with ISO 26000, an international standard for social responsibility, and are promoting responsible procurement activities.

Eight points of Kyokuyo Group Basic Procurement Policy*1	
1 Compliance with laws and social norms	5 Fair business practices
2 Respect for human rights	6 Safe and reliable products and services
3 Safe and employee-friendly workplace environment	7 Coexistence with local communities
4 Consideration for global environment	8 Information security

Building a sustainable supply chain

In order to build a sustainable supply chain based on responsible procurement, we need to address not only the operations of our Group, but also the operations of all contractors providing services to the Group including raw materials,

products, equipment and machinery.

To ensure an understanding of our Group's approach, and seek cooperation with our responsible procurement activities, we have drawn up Kyokuyo Group Supplier Guidelines*2 for our suppliers, with the aim of contributing to the creation of a sustainable society through efforts across our supply chain.

*1 *2 For further information on Kyokuyo Group Basic Procurement Policy and Supplier Guidelines, please see the website below.
 URL <https://www.kyokuyo.co.jp/en/environment/client/index.html>

Related page [Kyokuyo Group's Approach to Sustainability](#) → P.32

Acquiring CoC certification from MSC/ASC/MEL, etc. as part of our supply chain management efforts; promoting the handling of certified marine products

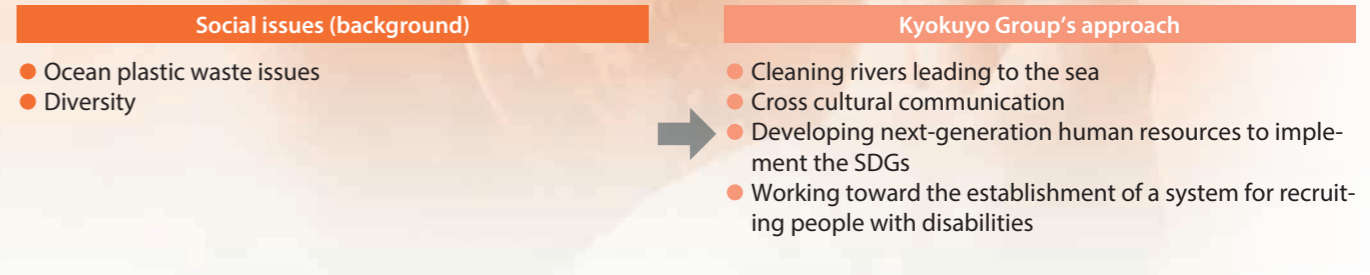
In order to handle MSC-, ASC- and MEL-accredited marine products, processing and logistics operations must meet the standards of the chain of custody (CoC) management certification, and CoC certification must be acquired.

This certification is primarily aimed at establishing traceability by preventing certified and noncertified marine products from mixing through from certified fisheries and aquaculture farms to product sales. Certification also requires in its stipulated principles and precautions that there is no connection to forced labor, child labor, and vessels deemed to engage in illegal, unreported, and unregulated (IUU) fishing. In order to sell marine products as certified, they must be procured from suppliers that have also obtained the certification.

The Kyokuyo Group supports the management and control methods defined under this certification and, as part of our efforts toward responsible procurement, we will continue working to handle certified products.

Related pages [About MSC, ASC, and MEL](#) → P. 39 – 40

Social Contributing to the Community



Kyokuyo Group's position and policy

We are working to promote greater cooperation and communication between our companies and the communities in which they are based, encouraging understanding and respect for local cultures, customs and traditions. Engaging proactively in events that bring us closer to local communities helps to build mutual trust. Through our businesses, we aim to address issues that affect the lifestyles of local people and the global environment, contributing to the development of each community.

Hosting a work experience intern from a special needs school

In October 2022, Apex Kyokuyo Co., Ltd. hosted a work experience intern from the senior high school division of the Hyogo Prefectural Himeji School for Students with Special Needs.

This school aims to help students secure employment, and provides vocational education that emphasizes experiential learning. It has achieved impressive results.

The second-year student from the senior high school division who took part in the work experience internship activity was given training in burn and injury prevention, hygiene rules and the company rules, and then undertook work which included arranging fish fillets on a perforated tray on the grilled fish production line, as well as transporting materials. The intern was particularly interested in how fish are processed and turned into tray-packaged food products.

Up until this time, the Kyokuyo Group had had no experience of hosting work experience trainees with disabilities. Although several months of preparation were required, the experience of hosting this intern marked an important step forward toward employment of people with disabilities at the company. Going forward, Apex Kyokuyo will continue striving to make a positive contribution to the local community.



Work experience intern arranging fish fillets on a perforated tray on the grilled fish production line

Canoe Slalom Japan Cup Kyokuyo Series / Clean River Activity

From the standpoint of our environmental activities, in which we communicate to the community with a focus on living together with nature and the importance of water resources, we have, since 2017, supported the activities of Japan Canoe Federation as one of the Federation's official partners.

The Kyokuyo Group is the main sponsor of Canoe Slalom Japan Cup Kyokuyo Series and after each series event, we work together with event organizers and volunteers from among the event spectators to clean the area around the canoe competition courses. These Clean River Activity events are held across the country.

Up until 2022, Clean River Activities have been held a total of 29 times, attracting 2,025 participants. We intend to continue with activities designed to address the problem of ocean plastic waste.

Japan Canoe Federation website
 URL [Japanese link: https://www.canoe.or.jp/](https://www.canoe.or.jp/)



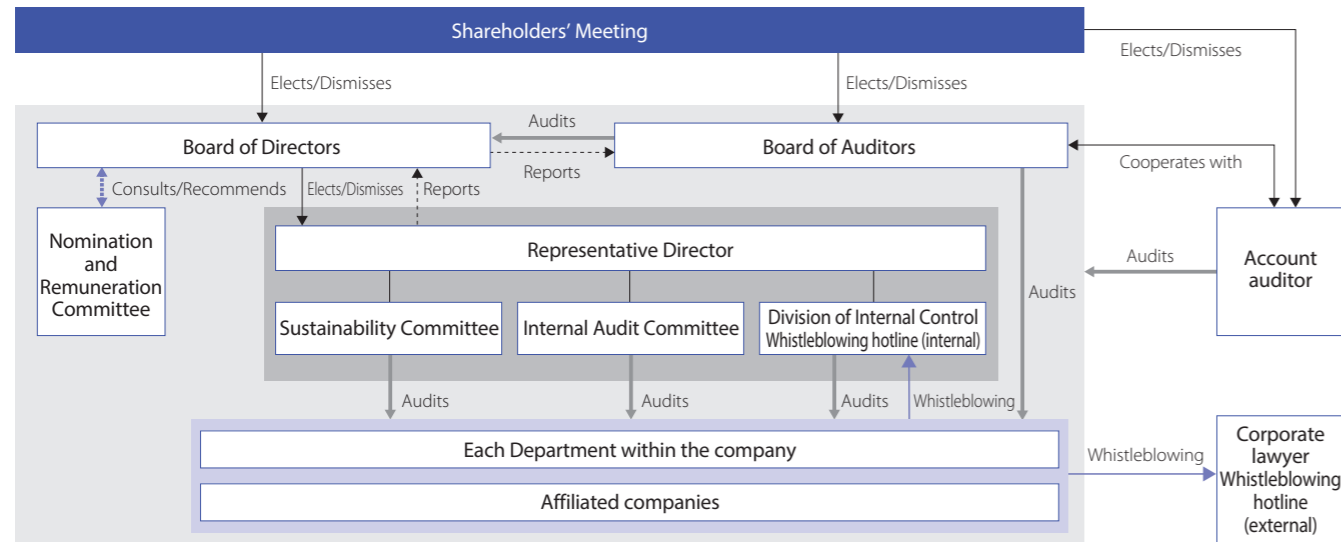
Clean River Activity held after the end of the fourth race in the 2022 Canoe Slalom Japan Cup Kyokuyo Series (held in Oshu City, Iwate Prefecture)

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, 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



History of corporate governance reform

	Progress made in corporate governance reform	Executive directors	Independent outside directors	Total
FY ended March 2016	<ul style="list-style-type: none"> 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)	12 (1)
FY ended March 2017	<ul style="list-style-type: none"> 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)	11 (1)
FY ended March 2018	<ul style="list-style-type: none"> Appointment of multiple independent outside directors 	9	2 (1)	11 (1)
FY ended March 2019		10	2 (1)	12 (1)
FY ended March 2020		10	2 (1)	12 (1)
FY ended March 2021	<ul style="list-style-type: none"> Appointment of multiple female independent outside directors 	9	2 (2)	11 (2)
FY ended March 2022	<ul style="list-style-type: none"> Establishment of a Nomination and Remuneration Committee Appointment of independent outside directors accounting for over one-third of Board members 	8	4 (2)	12 (2)
FY ended March 2023		7	4 (2)	11 (2)
FY ended March 2024	<ul style="list-style-type: none"> Adoption of an executive officer system 	8	4 (2)	12 (2)

The figures given in parentheses under "Independent outside directors" and "Total" are the sub-totals for female directors.

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 four independent outside directors, who account for at least one third of the total number of directors, so by strengthening our oversight systems.

Please refer to the link below for further information on our corporate governance guidelines
 URL Japanese link: <https://www.kyokuyo.co.jp/files/20230127CG.pdf>

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 Nomination and Remuneration Committee has been established as an advisory organ to the Board of Directors.

The majority of the committee's members must be independent outside directors. 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/Remuneration	Issue	Month	Activity
Nomination	Directorship candidates	February 2023	Deliberation and report to the Board of Directors
Remuneration	Basic policies and criteria relating to directors' remuneration, details of performance-based compensation, and calculation methods for this compensation	April 2023	Deliberation and report to the Board of Directors
Remuneration	Individual fixed compensation for directors	June 2023	Deliberation and determination

As of the end of June 2023, 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

We give an annual questionnaire to all directors and auditors regarding the effectiveness of the Board of Directors as a whole. The results are reported to the Board of Directors, leading to improvements. The questionnaires have been returned with generally positive evaluations of the composition and operation of the Board of Directors, the mechanism of governance, etc.

We are also striving to ensure that there is adequate time to discuss proposals, for example by simplifying business results reports, and we are working to further enhance the performance of the Board of Directors.

Main evaluation items

- Board composition (total no. of directors, and share held by outside directors)
- Director diversity (in terms of specialist expertise and career background)
- Amount and content of materials provided prior to deliberation
- Implementation of deliberation, and time taken
- Liveliness of discussion
- Contribution to business strategy
- Extent to which decision-making embodies awareness of external perspectives
- Risk management
- Oversight of individual directors
- Self-assessment

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 the above 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 Shareholders' Meeting.

Fixed basic compensation is determined based on each director's responsibilities. For performance-linked 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 (fiscal 2022)

Executive classification	Total amount of remuneration (million yen)	Total amount by type of compensation (million yen)			Number of eligible executives
		Basic compensation	Performance-based stock compensation	Non-monetary compensation	
Directors (excluding outside directors)	304	274	29	—	8
Auditors (excluding external auditors)	14	14	—	—	3
External executives	91	91	—	—	6

(Notes) 1. The amount of basic compensation for each director and auditor is within the compensation framework established at the Shareholders' Meeting.
 2. Performance-based stock compensation was established at the FY2020 Ordinary Shareholders' Meeting.
 3. Directors' pay does not include the employee salary portion for directors who are concurrently employees.

Outside directors

Outside directors are expected to conduct effective management supervision and to provide frank and constructive advice regarding the Group's management from an independent and objective standpoint, with a practical perspective that draws on abundant experience, knowledge, and expertise.

When selecting candidates for outside directors, in

addition to meeting the requirements (in relation to independence) established by the Tokyo Stock Exchange and by our company, we also select only those candidates who can provide frank and constructive advice on our company's business management. The concrete reasons for the selection of the four outside directors are as described below.

Names of independent outside directors, and reasons for selection

Masayo Miura Masayo Miura researches food and nutrition science, and other related subjects, at Kagawa Nutrition University. She has long years of experience and a wealth of knowledge as an expert in food and nutrition, and as a member of the Board of Directors, she provides appropriate opinions from a neutral standpoint. We hope that, in future, as we make decisions at Board of Directors meetings, we can continue to receive appropriate advice, based on her long years of experience and knowledge.

Mika Shirao Mika Shirao researches food hygiene science and nutritional education at Jissen Women's University. With a wealth of experience in a high level of specialist knowledge, she is able, as a member of Board of Directors, to provide appropriate advice from a specialist standpoint. We hope that, in future, we can continue to reflect her knowledge and experience into the management of our business, and that she will continue to play a valuable role in our oversight functions.

Katsuhiro Machida Katsuhiro Machida has a wealth of knowledge and experience acquired through long years of work as an official of the Ministry of Agriculture, Forestry and Fisheries and at a research institution. He is able to provide advice and direction from a specialist standpoint. We also hope that he will continue to exercise appropriate supervision over our business operations from a neutral standpoint.

Eiji Yamada Through his work, including his many years as Director and President of Japan Information Processing Service Co., Ltd., Eiji Yamada has a wide range of knowledge as a business leader, backed by experience and a track record in systems development. We hope that, in addition to supervising our company's operations, he can continue to provide advice across all of our operational scope, contributing to stronger corporate governance.

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 FY2022, as in the past.

Cross-shareholdings*

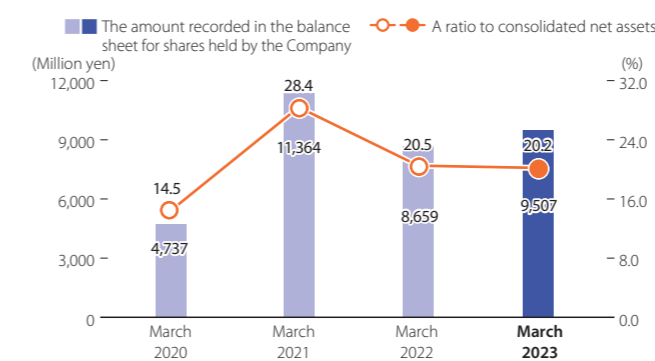
Recognizing the risk of price fluctuations associated with holding shares, we hold shares other than those for investment purposes, taking fully into account the rationality of the holding purpose, such as maintaining and stabilizing business relationships and fostering mutual trust.

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. As well as providing disclosure consistent with regulations, including the regulations for public companies set out under the Financial Instruments and Exchange Act and by the Tokyo Stock Exchange, we also strive to provide timely and proactive disclosure.

Promoting shareholders' and investors' understanding of Kyokuyo

In order to provide shareholders with a deeper understanding of the current state of Kyokuyo, 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 successively conducts dialogues (interviews) at the request of analysts and institutional investors.



BUSINESS REPORT



Board of Directors and Auditors

Directors ⓄIndependent director

*Attendance at Board of Directors meetings is for FY2022.



Makoto Inoue
President and Representative Director

Attendance at Board of Directors meetings
Attendance rate 100%
Meetings attended 16/16



Shigeru Kondo
Senior Managing Director

Attendance at Board of Directors meetings
Attendance rate 100%
Meetings attended 16/16



Shuichi Kiyama
Senior Managing Director

Attendance at Board of Directors meetings
Attendance rate 100%
Meetings attended 16/16



Hitoshi Higaki
Managing Director

Attendance at Board of Directors meetings
Attendance rate 100%
Meetings attended 16/16



Yutaka Tanaka
Director

Attendance at Board of Directors meetings
Attendance rate 100%
Meetings attended 16/16



Keizo Yamaguchi
Director

Attendance at Board of Directors meetings
Attendance rate 100%
Meetings attended 16/16



Atsushi Hattori
Director

Attendance at Board of Directors meetings
Attendance rate Newly appointed
Meetings attended Newly appointed



Masaki Miyama
Director

Attendance at Board of Directors meetings
Attendance rate Newly appointed
Meetings attended Newly appointed



Masayo Miura
Outside Director (part-time) Ⓞ

Attendance at Board of Directors meetings
Attendance rate 100%
Meetings attended 16/16



Mika Shirao
Outside Director (part-time) Ⓞ

Attendance at Board of Directors meetings
Attendance rate 94%
Meetings attended 15/16



Katsuhiro Machida
Outside Director (part-time) Ⓞ

Attendance at Board of Directors meetings
Attendance rate 100%
Meetings attended 16/16



Eiji Yamada
Outside Director (part-time) Ⓞ

Attendance at Board of Directors meetings
Attendance rate 100%
Meetings attended 16/16

Supervisory Board Members ⓄIndependent director

*Attendance at Board of Directors and Board of Auditors meetings is for FY2022.



Masaji Tamura
External Auditor (full-time) Ⓞ

Attendance at Board of Directors meetings
Attendance rate 100%
Meetings attended 16/16

Attendance at Board of Auditors meetings
Attendance rate 100%
Meetings attended 13/13



Yoichi Kanno
External Auditor (full-time) Ⓞ

Attendance at Board of Directors meetings
Attendance rate 100%
Meetings attended 16/16

Attendance at Board of Auditors meetings
Attendance rate 100%
Meetings attended 13/13



Masayuki Nishihama
Auditor (part-time)

Attendance at Board of Directors meetings
Attendance rate 100%
Meetings attended 16/16

Attendance at Board of Auditors meetings
Attendance rate 100%
Meetings attended 13/13



Norio Suzuki
Auditor (part-time)

Attendance at Board of Directors meetings
Attendance rate 92%
Meetings attended 12/13

Attendance at Board of Auditors meetings
Attendance rate 90%
Meetings attended 9/10

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	Internationality
Makoto Inoue	●	●					
Shigeru Kondo	●	●					●
Shuichi Kiyama	●		●	●	●		
Hitoshi Higaki	●		●		●		
Yutaka Tanaka		●					
Keizo Yamaguchi		●					●
Atsushi Hattori		●					
Masaki Miyama		●					●
Masayo Miura						●	
Mika Shirao						●	
Katsuhiro Machida	●	●				●	
Eiji Yamada	●		●				

The above list shows areas where members have more specialized knowledge based on each individual's experience, etc., and does not represent their complete knowledge.



Message from Outside Director



Masayo Miura
Outside Director

I am constantly thinking about what I can do for Kyokuyo, and I will continue providing support for the company's further growth in the future.

The role of Outside Directors

Kyokuyo's Board of Directors comprises members who have expertise in terms of general business management, industry-specific knowhow, IT, legal affairs, compliance, finance, accounting, administration, academic research, and international business. Of the four Outside Directors, two are women, making this a board with a significant degree of diversity.

Among these directors, with their various backgrounds, I see my own role as being to contribute my experience from many years of working in education and being involved in food and nutritional science research, and a perspective oriented toward academic research and human talent cultivation, while also offering suggestions from a consumer's perspective, and exercising oversight over the company's management.

The Kyokuyo Group viewed from an outside perspective

It is now eight years since I took up the position of Outside Director at Kyokuyo, and during this time I have travelled

along the same path as the Kyokuyo Group. When I first joined the board, its discussions tended to make extensive use of industry jargon; today, not only is there a greater use of language that is easier for non-specialist Outside Directors to understand, there is also more discussion of the food products market (which is extremely broad in its scope), including the importance of food in relation to growing health consciousness, and the potential for developing food functionality, etc.

At the same time, Kyokuyo continues to demonstrate a willingness to challenge itself in various areas. For example, there are now increased opportunities for female participation, as seen in the appointment of a new female Outside Director and promotion of women to management positions.

One of the issues facing the Kyokuyo Group is the need to enhance the profitability of the processed food business. There has been a recovery from the impact of the COVID-19 pandemic, and processed food sales are starting to improve again. Taking as a foundation the integrated system covering every stage from raw materials to finished products which is a major strength of the Kyokuyo Group, I believe that it is important for Kyokuyo to "spice up" its products through enhanced tastiness and enjoyment, providing products that customers will want to support.

For stakeholders

The Kyokuyo Group plays an important role in providing products characterized by safety and reliability for dinner-tables both in Japan and overseas, contributing to a healthy and happy lifestyle and food culture. This role matches the academic philosophy of my alma mater, Kagawa Nutrition University: "Maintain and improve health through a balanced diet and proper nutrition".

In today's world, where labor shortages and the aging of the population are becoming increasingly serious issues, there is a need to make food preparation easier and reduce the time taken. Responding to this need, Kyokuyo is expanding its Dandori Jozu product line. Going forward, I myself will be aiming to provide support for the further expansion of Kyokuyo's processed food business, including the Dandori Jozu range.

To achieve continued growth, the Kyokuyo Group is expanding into overseas markets. With the shift to a business model that emphasizes "produce overseas, sell overseas", and the expansion in overseas production facilities, global sales can be expected to grow in the future.

As the Kyokuyo Group continues to transform itself, in the future, I will continue to provide support and oversight so that it can carry on maintaining and enhancing human health (which is something people will always need) through the provision of food, and contributing to a healthy and happy lifestyle and food culture.



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 managing of risks relating to their operations in the foregoing departments and group companies. Furthermore, Kyokuyo's Business Management 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

We recognize the major risks that could have a material impact on metrics including the financial condition and business results of the whole Kyokuyo Group, and we share the status of risks and countermeasures with the Board of Directors.

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

Key risks and countermeasures

Risk	Countermeasures
Food safety issues	<ul style="list-style-type: none"> Establishment and maintenance of a quality assurance system by the Quality Assurance Department Product-liability insurance and other forms of insurance
Risks related to overseas business	<ul style="list-style-type: none"> Diversification of procurement areas Holding of appropriate inventory in accordance with procurement risk
Fluctuations in raw material prices	<ul style="list-style-type: none"> Forecasting raw material market conditions based on supply and demand estimates Holding of the strategic inventory required to respond to the market environment Enhancing sales of value-added products
Risks in the aquaculture business	<ul style="list-style-type: none"> Making use of Fishery Mutual Aid Insurance Thorough facility management
Exchange rate fluctuations	<ul style="list-style-type: none"> Risk hedging through yen-denominated settlements, foreign exchange reserves, etc.
Crude oil prices fluctuations	<ul style="list-style-type: none"> Efficient business operations
Countermeasures against natural disasters	<ul style="list-style-type: none"> Fire insurance, domestic comprehensive general cargo insurance, and other forms of insurance Establishment of a business continuity plan (BCP)
Risks related to information systems	<ul style="list-style-type: none"> Use of antivirus software Continual uninterrupted monitoring of the network, regular security diagnostics Multiple backups
Sustainability-related risks	<ul style="list-style-type: none"> Responding to the need to reduce CO₂ emissions by utilizing energy more efficiently and adopting energy-saving equipment Changing the materials used in packaging, and reducing the size of packaging, so as to reduce the amount of plastic usage



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, we believe that it is vitally important for the Kyokuyo Group’s company officers and employees to comply faithfully with laws and regulations, maintain a thorough understanding of corporate ethics and the social code of conduct, and carry out their duties with good judgment as responsible adults.

This approach is shared throughout the group, and by acting with an awareness of compliance on a day-to-day basis, we strive to ensure that there are no violations of laws or internal rules in our daily operations.

Current interpretations of compliance

The original meaning of compliance is to comply with the law. → The current meaning of compliance has expanded in scope.



Management system

In accordance with this basic policy, the Division of Internal Control, which builds, maintains, and strengthens compliance systems under the direct supervision of the president, is putting in place an inter-departmental compliance system that covers the whole of the Kyokuyo Group.

As regards internal controls relating to compliance and financial reporting, the Division of Internal Control implements compliance audits and monitoring for individual cases of operational execution, and, where necessary, reports to the Board of Directors regarding the effectiveness of the steps taken.

In addition, to ensure thorough implementation of compliance, we undertake the group-wide dissemination of information and awareness-raising.

Education

To enhance the compliance awareness of every individual Kyokuyo Group company officer and employee, and enable

them to make effective use of this awareness in their day-to-day operations, the Division of Internal Control holds compliance lectures on an occasional basis, with a particular focus on managerial staff. Compliance-related lectures are also provided for new employees as part of their initial training.

The lectures make use of case studies of compliance violations to help attendees develop an understanding of how problems emerge and become actualized, and of the impact that compliance violations have on society, and attendees are given guidance on how to implement compliance thoroughly.

We also encourage Kyokuyo Group company officers and employees to attend the annual workshop on the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, and we are continuing to implement compliance education on an ongoing basis.

Whistleblowing system

For the reporting of compliance violations and other compliance-related matters within the Kyokuyo Group, a whistleblowing system has been established, with the department heads responsible for compliance matters, and attorneys, acting as contact windows. To ensure the safety of whistleblowers, the rules on whistleblower protection have been formulated.

Besides working to ensure that Kyokuyo Group employees are made more aware of this system, we are also striving to make the system easy to use.

Responsible procurement

The Kyokuyo Group has formulated the Kyokuyo Group Basic Procurement Policy, and by fulfilling our corporate social responsibility through responsible procurement, we are endeavoring to help realize a sustainable society.

As responsible procurement activities are essential throughout the supply chain, we have established a 10-item set of Kyokuyo Group supplier guidelines based on Kyokuyo Group Basic Procurement Policy. These guidelines specify our obligations to uphold laws, regulations and social code of conduct, and to engage in fair business practices. We aim to gain the understanding of our suppliers for Kyokuyo Group’s approach to responsible procurement, and will work to achieve a fair and sustainable supply chain through our responsible procurement activities.

Kyokuyo Group Basic Procurement Policy
[URL https://www.kyokuyo.co.jp/en/environment/client/index.html](https://www.kyokuyo.co.jp/en/environment/client/index.html)

Financial Data Highlights

Consolidated basis

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Net sales	(Million yen)	256,151	262,519	249,197	253,575	272,167
Operating profit	(Million yen)	3,831	2,918	4,657	6,392	8,105
Operating income margin	(%)	1.5	1.1	1.9	2.5	3.0
Ordinary profit	(Million yen)	4,434	3,608	4,879	6,904	8,182
Ordinary income margin	(%)	1.7	1.4	2.0	2.7	3.0
Profit attributable to owners of parent	(Million yen)	2,914	2,037	3,838	4,634	5,782
<hr/>						
Total assets	(Million yen)	114,673	111,184	116,331	130,460	146,301
Net assets	(Million yen)	31,996	32,593	39,975	42,174	46,966
Net assets per share	(Yen)	2,941.26	3,046.26	3,753.90	3,969.73	4,436.27
Net profit per share	(Yen)	269.63	188.53	356.95	430.83	539.10
Equity ratio	(%)	27.7	29.4	34.7	32.7	32.5
Return on equity (ROE)	(%)	9.6	6.3	10.5	11.2	12.8
Return on assets (ROA)	(%)	4.0	3.2	4.3	5.6	5.9
Interest-bearing debt	(Million yen)	58,023	55,173	51,174	58,121	68,973
D/E ratio	(Ratio)	1.9	1.7	1.4	1.5	1.6
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Cash flows from operating activities	(Million yen)	(4,118)	9,410	5,997	(1,128)	(6,243)
Cash flows from investment activities	(Million yen)	(2,494)	(2,931)	(527)	(5,225)	(2,338)
Cash flows from financial activities	(Million yen)	5,958	(4,817)	(4,627)	5,743	9,011
Cash and cash equivalents at end of period	(Million yen)	4,621	6,313	7,097	6,539	7,042
<hr/>						
R&D expenses	(Million yen)	304	343	336	317	338
Capital investment	(Million yen)	2,201	3,160	2,456	5,064	2,292
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Dividend payout ratio	(%)	26.0	37.1	22.4	20.9	18.5
Total shareholder return	(%)	76	71	86	96	101
Dividend per share	(Yen)	70	70	80	90	100

Corporate Data and Stock Information (as of March 31, 2023)

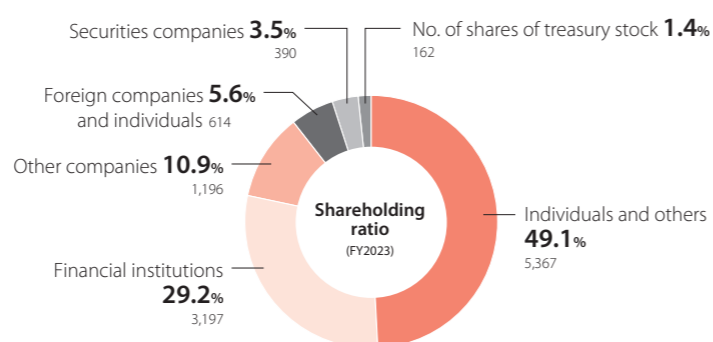
Corporate profile

Company name	Kyokuyo Co., Ltd.
Headquarters address	3-3-5, Akasaka, Minato-ku, Tokyo, 107-0052, Japan
Established	September 3, 1937
Stated capital	¥5,664 million
Major businesses	Export, import, domestic purchasing, and sales of marine products, and manufacture and sales of processed and frozen foods
Employees	2,112 (consolidated) / 704 (nonconsolidated)
Number of consolidated companies	26

Stock information

Total number of shares the company is authorized to issue	43,700,000
Total number of shares issued	10,928,283
Number of shareholders	29,451

Distribution of shares by shareholder type



Major shareholders

Shareholder's name	No. of shares held (thousands)	Number of shares held as a percentage of the total number of outstanding shares (excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd.	998	9.27
Resona Bank, Limited	523	4.86
The Norinchukin Bank	445	4.13
Custody Bank of Japan, Ltd.	317	2.95
Toyo Seikan Group Holdings, Ltd.	315	2.92
Mitsui Sumitomo Insurance Co., Ltd.	250	2.32
Tokio Marine & Nichido Fire Insurance Co., Ltd.	224	2.08
Kyokuyo Akitsukai	155	1.44
SMBC Nikko Securities Inc.	144	1.33
Noriaki Nakamura	143	1.33

List of Group Companies

■ Kyokuyo Akitsu Reizo Co., Ltd.

2-6-1 Jonanjima, Ota-ku, Tokyo 143-0002, Japan
Tel: +81 (3) 3799-1701
Business: Cold storage business

■ Kyokuyo Shoji Co., Ltd.

Sumitomo Seimei Akasaka Bldg., 3-3-3 Akasaka, Minato-ku, Tokyo 107-0052, Japan
Tel: +81 (3) 6234-4400
Business: Purchasing and sale of marine, agricultural and meat products

■ Kyokuyo Shokuhin Co., Ltd.

3-20-1 Shinhama-cho Shiogama, Miyagi 985-0001, Japan
Tel: +81 (22) 364-6111
Business: Manufacturing of frozen and chilled food products

■ Kyokuyo Suisan Co., Ltd.

1441-1 Habuchi, Yaizu, Shizuoka 421-0213, Japan
Tel: +81 (54) 622-5111
Business: Overseas purse seine fishing business, processing skipjack tuna and other tuna, cold storage business

■ Kyokuyo Sougou Service Co., Ltd.

Sumitomo Seimei Akasaka Bldg., 3-3-3 Akasaka, Minato-ku, Tokyo 107-0052, Japan
Tel: +81 (3) 5545-0770
Business: Insurance agent business, facilitating sales of various products

■ Kyokuyo Feed One Marine Co., Ltd.

392-2 Hisayoshi, Ainan-cho, Minamiuwa-gun, Ehime 798-4353, Japan
Tel: +81 (895) 73-7180
Business: Operations include producing nursery stock, aquaculture and sale of tuna and other marine products

■ Kyokuyo Foods Co., Ltd.

830 Nobenono, Matsuno-cho, Kitauwa-gun, Ehime 798-2102, Japan
Tel: +81 (895) 42-1600
Business: Manufacture of frozen and chilled products (imitation crab meat, etc.)

■ Kyokuyo Fresh Co., Ltd.

3-3-2 Rinkai-cho, Edogawa-ku, Tokyo 134-0086, Japan
Tel: +81 (3) 3878-4611
Business: Operations include processing and sale of tuna and other marine products

■ Kyokuyo Marine Ehime Co., Ltd.

392-2 Hisayoshi, Ainan-cho, Minamiuwa-gun, Ehime 798-4353, Japan
Tel: +81 (895) 72-6661
Business: Operations include aquaculture, processing and sale of tuna and other marine products

■ Kyokuyo Marine Farm Co., Ltd.

2198-4 Obukaura, Sukumo, Kochi 788-0034, Japan
Tel: +81 (880) 65-5617
Business: Operations include aquaculture, processing and sale of tuna and other marine products

■ Ibusuki Shokuhin Co., Ltd.

1-42 Shinei-cho, Yamagawa, Ibusuki, Kagoshima 891-0501, Japan
Tel: +81 (993) 35-2335
Business: Processing and sale of skipjack tuna, other tuna, other marine products, and agricultural and livestock products

■ Integrate System Service Co., Ltd.

Nihon Building Bldg. No. 2, 1-2-5 Nihombashi-Kayabacho, Chuo-ku, Tokyo 103-0025, Japan
Tel: +81 (3) 5652-8600
Business: General services for computer systems

■ Apex Kyokuyo Co., Ltd.

3246 Nakashima, Shikama-ku, Himeji, Hyogo 672-8035, Japan
Tel: +81 (79) 234-2670
Business: Processing and sale of assorted grilled fish products

■ Kaiyo Foods Co., Ltd.

2831-15 Sunayama, Kamisu, Ibaraki 314-0255, Japan
Tel: +81 (479) 46-3851
Business: Processing and sale of products including salt-cured salmon, fillet, and fish flakes

■ Kuroshio Suisan Co., Ltd.

373 Tomariura, Otsuki-cho, Hata-gun, Kochi 788-0353, Japan
Tel: +81 (880) 73-1105
Business: Aquaculture and sale of marine products

■ Jokki Co., Ltd.

3-28-5 Kamishakujii, Nerima-ku, Tokyo 177-0044, Japan
Tel: +81 (3) 3920-6885
Business: Processing and sale of seafood delicacies

■ Kyokuyo America Corporation

1200 Fifth Avenue, Suite 1575, Seattle, WA, 98101-3131, U.S.A.
TEL: +1 (206) 405-2670
Business: Purchase and sale of marine products

■ QINGDAO KYOKUYO INTERNATIONAL CO., LTD.

Room No. 1013, Crowne Plaza Qingdao No.76, Xiang Gang Zhong Road, Qingdao, 266071 China
TEL: +86 (532) 8578-1350
Business: Purchasing and sales in mainland China and overseas

■ KYOKUYO EUROPE B.V.

Tower-B, 7th Floor, WTC Schiphol Airport Schiphol Boulevard, 193 1118 BG Schiphol, Netherlands
TEL: +31 (20) 405-9060
Business: Purchase and sale of frozen food products

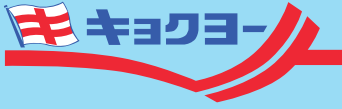
■ KYOKUYO GLOBAL SEAFOODS Co., Ltd.

55/237 Moo. 6 Tsai, Mueang Samut Sakhon, Samut Sakhon, 74000, Thailand
TEL: +66 (3) 444-0828
Business: Manufacturing products including sushi toppings, simmered fish and grilled fish products



Effective use of marine resources to create a low-carbon society.

Kyokuyo Group supports Fun to Share.



Kyokuyo Co., Ltd.

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

Website <https://www.kyokuyo.co.jp/en>