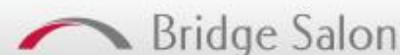




BRIDGE REPORT



 Representative director and CEO Motohisa Yoshimura	Yoshimura Food Holdings K.K. (2884)
	 YOSHIMURA FOOD HOLDINGS

Corporate Information

Exchange	TSE Prime Market
Industry	Food products (manufacturing)
Representative director and CEO	Motohisa Yoshimura
Address	18F, Fukoku Seimei Bldg., 2-2-2, Uchisaiwai-cho, Chiyoda-ku, Tokyo
Year-end	February
URL	http://y-food-h.com

Stock Information

Share price	Shares Outstanding (Term-end)		Total Market Cap	ROE (Actual)	Trading Unit
¥1,003	24,045,155 shares		¥24,117 million	18.8%	100 shares
DPS (Estimate)	Dividend Yield (Estimate)	EPS (Estimate)	PER (Estimate)	BPS (Actual)	PBR (Actual)
¥0.00	-	¥46.99	21.3x	¥463.27	2.2x

*The share price is the closing price on June 3. Each value is taken from the brief report on results of the fiscal year ended February 2025. The forecast for the fiscal year ending February 2026 is presented as a range. The EPS is set at the lower end of that range.

Earnings Trends

Fiscal Year	Net Sales	Operating Income	Ordinary Income	Net Income	EPS	DPS
February 2022 (Actual)	29,283	655	993	500	21.03	0.00
February 2023 (Actual)	34,937	678	1,323	613	25.77	0.00
February 2024 (Actual)	49,781	2,366	2,989	1,036	43.77	0.00
February 2025 (Actual)	58,110	4,161	4,251	1,861	78.13	0.00
February 2026 (Estimate)	60,700 ~63,700	3,000 ~4,000	2,900 ~3,900	1,120 ~1,580	46.99 ~66.29	0.00

*Unit: Million yen. The estimated values were provided by the company.

This Bridge Report presents Yoshimura Food Holdings K.K.'s earnings results for the Fiscal Year ended February 2025, and the interview with CEO Yoshimura.

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Key Points

- In the fiscal year ended February 2025, sales increased 16.7% year on year to 58.1 billion yen, with growth both domestically and overseas. This was driven by strengthened sales efforts at existing companies and the acquisition of the YS Foods Group subsidiaries (YS Foods, Matatsu Suisan, Seidou Suisan, and YS Kaisyo) as subsidiaries. Operating income rose significantly by 75.8% year on year to 4.1 billion yen. The inclusion of the YS Foods Group in the scope of consolidation, along with rising scallop sales prices, resulted in substantial profit growth for both YS Foods Group and MARUKICHI. Gross income margin improved 2.2 percentage points, with gross profit increasing 29.3% year on year, outpacing revenue growth due to a higher sales composition ratio of the highly profitable scallop business. Although SG&A expenses rose 15.4% year on year, they were absorbed, resulting in a significant increase in profit. A special income of 1.2 billion yen was recorded, consisting of compensation from Tokyo Electric Power Company and other scallop-related subsidies. On the other hand, a special loss of 700 million yen was recorded due to the impairment of goodwill associated with the acquisition of shares in subsidiaries, including JSTT Singapore Pte. Ltd.
- For the fiscal year ending February 2026, an increase in sales is projected, but a decrease in profit is expected. Due to uncertainties in the U.S. tariff policies and unpredictable fluctuations in scallop procurement and sales prices, sales and profit forecasts are presented as a range. Sales are expected to increase thanks to organic growth among existing companies. Operating income projections are based on current scallop procurement and sales prices. Net income does not include compensation from Tokyo Electric Power Company.
- The company announced its medium-term management plan for the fiscal year ending February 2030. Aiming to become a "global producer of small and medium-sized food enterprises," the plan sets out three growth strategies: M&A (roll-up and niche strategies), organic growth, and overseas expansion. By accelerating growth through organic growth and new M&A deals, the company aims to achieve sales of 115 billion yen, an operating income of 8 billion yen, and an EBITDA of 12 billion by the fiscal year ending February 2030.
- CEO Yoshimura shared insights on the financial results, medium-term plan, and messages to shareholders and investors: "This is our first time publicly announcing a medium-term management plan and setting numerical targets for the fiscal year ending February 2030. Until now, our core M&A strategy involved counterparties, so we refrained from disclosing specifics. However, we have now established a robust system for accepting new companies, enabling us to proceed with M&A at our discretion. This has given us the confidence to share a concrete vision for 2030 publicly." "Regarding the insider trading case involving former representative directors, we sincerely apologize for the resulting stock price decline and significant lost opportunities. With responses to the issue mostly completed by the end of March, we are returning to normal operations and will work hard to achieve the targets in 2030. We ask for your continued support."

- **The company's first public announcement of a medium-term management plan reflects its confidence in successfully closing promising M&A deals. At the same time, CEO Yoshimura acknowledges that securing and strengthening human capital suited to the expanding group remains a critical challenge amid labor shortages. In this context, the merger between OHBUN CO.,LTD and HOSOKAWA FOODS CO., LTD. appears to be a positive example that addresses workforce challenges, particularly in factory operations. We will keep a close eye not only on the progress of M&A deals, but also on efforts to enhance human capital, including securing capable management personnel.**

1. Company Overview

Yoshimura Food Holdings conducts M&A of food-related small and medium-sized enterprises that, regardless of their quality products or unique manufacturing techniques, are facing various issues such as the difficulty in finding successors. It also facilitates the growth of the entire corporate group by solving problems with their core service, which is to build “a platform for supporting small and medium-sized enterprises (SME Support Platform).” and energizing each group company. Its strengths lie in the overwhelming advantage it has towards investment funds or large companies and the high barrier to entry. The company aims to accelerate its growth through further alliances. As of the end of February 2025, there are 36 main consolidated subsidiaries.

[1-1 Corporate History]

One day, a food company that was facing financial difficulties and could not find a buyer was introduced to Mr. Yoshimura, who was managing the listed companies’ fundraising and M&A in the corporate business division at Daiwa Securities Co. Ltd. and Morgan Stanley Securities Co., Ltd.

Mr. Yoshimura took on this food company and established L Partners Co., Ltd.-- the predecessor of Yoshimura Food Holdings K.K.--on his own in March 2008 because he strongly felt that Japan could be more appreciated through its food since his MBA days in the United States while working for Daiwa Securities. Through his efforts to revitalize the company using his experience and network, he successfully turned a profit.

Many food SMEs started seeking help from Mr. Yoshimura upon learning of his work. He thought that it was possible to efficiently achieve results if the companies complemented each other in various functions, such as product development, production, and sales under a holding company system, instead of working on each company individually. Hence, he named the corporate Yoshimura Food Holdings K.K. in August 2009.

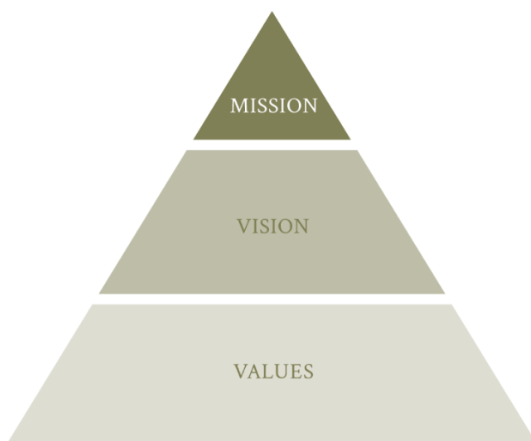
Since then, the company has continued acquiring companies facing problems with business succession or failing to handle management on their own. They are praised for their unique position of not competing with major food companies or investment funds as well as their policy of not selling off the companies. They received financing from INCJ, Ltd. (Innovation Network Corporation of Japan) and Japan Tobacco Inc. (JT) and expanded their business. In March 2016, it was listed on the Mothers of Tokyo Stock Exchange, and in March 2017, it was listed in the first section of Tokyo Stock Exchange. In April 2022, it was transited to the Prime Market of Tokyo Stock Exchange.

The company is pursuing further growth by acquiring not only Japanese companies, but also overseas companies in Singapore, Malaysia, and more.

[1-2 Target Social Image]

For the social responsibility of the enterprise, the company decided to pursue the mission: "A society where we can enjoy this 'delicious taste' forever ~Achieving affluence that allows consumers to enjoy diverse food cultures~, " and set its vision (roles to be fulfilled) and values (values they cherish) as such.

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Mission A society where we can enjoy this “delicious taste” forever ~ Achieving affluence that allows consumers to enjoy diverse food cultures~	<p>*We believe that a society in which people can choose from various options freely according to their respective preferences and a society in which those choices are respected is affluent and happy.</p> <p>*We aim to achieve an affluent society in which consumers around the world can choose from a wide array of high-quality “delicious foods” freely and enjoy them.</p>
Vision Protect and nurture regional “delicious foods” and distribute them around the world	<p>*In order to realize a society where we can enjoy this “delicious taste” forever, we will discover “delicious foods” that have been cherished in Japan and around the world, protect and nurture them, and deliver them to people around the world.</p> <p>*To do so, we will develop our own ability to find “delicious foods”, a business base for protecting “delicious foods”, functions to support the growth of “deliciousness”, and sales networks to deliver “delicious foods” to people around the world.</p> <p>*As a result, our company will become a global producer that promotes the cultures and diversification of foods around the world and the invigoration of local communities.</p>
Values “Cherish individuality”	<p>*We cherish the individuality of everyone related to us.</p> <p>*We value the “individuality”, “new ideas”, and “desire to take on new challenges” of each employee working in our corporate group.</p> <p>*We value the “history”, “culture”, “employees”, “business partners”, and “local communities” of each of our group companies.</p> <p>*We brush up the “strengths” of our group companies, mutually make up for their “weaknesses,” and grow together.</p> <p>*We will contribute to the development of an affluent society with a variety of options available, by cherishing the individuality of everyone related to us.</p>

[1-3 Market Environment and the Background of the Company’s Establishment]

As a company aiming for supporting and revitalizing SMEs throughout Japan, Yoshimura Food Holdings views the conditions of the food SMEs as follows:

(Investment Bridge extracted, summarized, and edited the information from Yoshimura Food Holdings’ annual securities reports and reference material)

(The Conditions of the Food SMEs)

*Japanese cuisine has been highly appreciated worldwide and is attracting increasing attention. On a national scale, the food manufacturing industry has also been one of Japan's largest and proudest largest industries based on its number of business establishments, number of employees and GDP since the 1990s.

*99% of the companies are SMEs where each one of them has strong products and technical skills.

*However, the domestic market is shrinking and some of the food SMEs find it hard to survive on their own as the business environment remains stringent due to falling birthrates and an aging population.

*Therefore, many companies give up on continuing their businesses and end up shutting down or suspending their business.

(Conditions of the SMEs' Business Succession)

*As of 2024, the majority of business owners in small and medium-sized enterprises are aged 60 or older, with the average age reaching a record high of 63.59 years. Notably, the proportion of owners aged 70 and above has also reached a record high of 34.47%, indicating that many owners are expected to reach retirement age in the coming years.

*However, 62.15% of domestic small and medium-sized enterprises currently lack a successor, and preparations for business succession remain insufficient. In particular, among companies whose representatives are in their 50s, 71.82% have no successor, while in those with representatives in their 60s, the figure is 47.88%. Although the absence rate decreases with increasing age, it remains at a high level. Amid this situation, only 31.8% of companies across all industries are currently considering business succession, showing that preparations are still lagging.

(Information from SME Agency "White Paper on Small and Medium Enterprises" (2025 Edition), TOKYO SHOKO RESEARCH, LTD. "Analysis of the age of company presidents in Japan (2024)," TOKYO SHOKO RESEARCH, LTD. "Survey of Trends on 'Successor Absence Rate' in Japan" (2024), SME Agency "Basic Survey on the Actual Situation of SMEs" (Report in fiscal year 2023 [Financial results in fiscal year 2022])

(Conditions of Business Succession of Food SMEs through Acquisition)

*Although there are increasing needs for business succession from food SMEs, the number of companies and organizations that would acquire them is small.

*The scale of many food SMEs is too small for major companies to acquire, and for investment funds' whose primary aim is to rapidly grow independent companies and sell them off within a few years, the mature market of food SMEs tends not to be one of their investment targets.

*Under these conditions, there is a tremendous shortage in the bearers of the responsibility of taking on the business of the SMEs.

[1-4 Business Description]

Having Yoshimura Food Holdings as its holding company, the corporate group consists of 36 consolidated subsidiaries, two companies accounted for using the equity method, and one non-consolidated subsidiary as of the end of February 2025.

Yoshimura Food Holdings aims to support and revitalize SMEs that manufacture and sell food products by creating a corporate group, composed of the food SMEs that are facing problems in securing a successor, through M&A. Yoshimura Food Holdings is responsible for business strategies' design and implementation, as well as the business management of each company in the group. It also supports and supervises their sales and marketing, production management, procurement and manufacturing, distribution, product development, quality control, and business management.

① Business Model

The company develops a unique business model in the food industry and is pursuing growth based on two engines.

One of them is the increase in the number of group companies through M&A.

Since its establishment in 2008, the company prevented food SMEs that had business succession and financial problems from shutting down or facing business suspension by acquiring them. Thus, it has managed to solve their problems.

It is recently focusing on adding not only Japanese companies to the group, but also overseas ones.

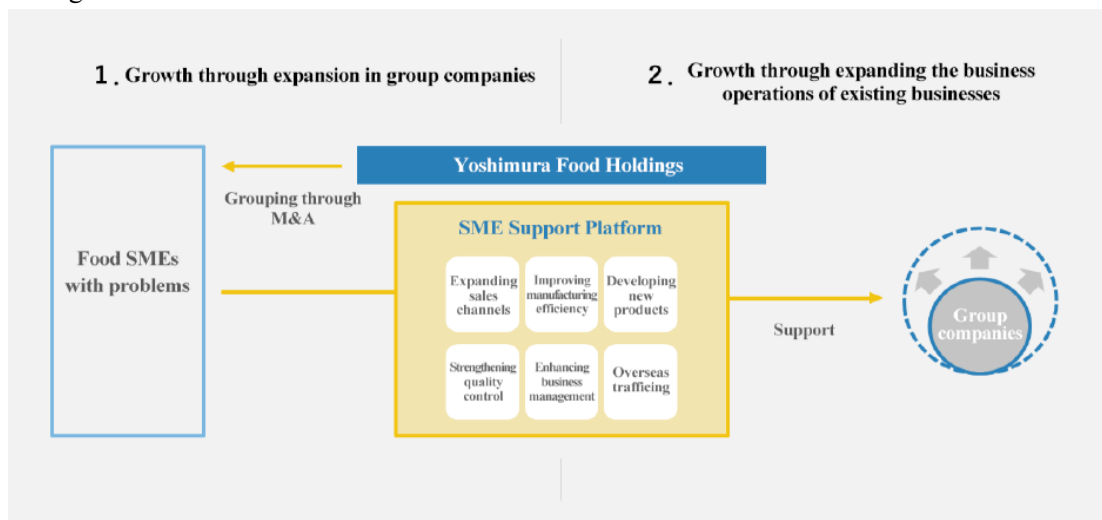
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Projects sourcing have been so far found (discovered) mainly with an "indirect approach" through introductions from M&A brokerage firms, regional financial institutions (mainly local banks), lawyers, and accountants. In order to speed up the process, the company intends to strengthen its "direct approach" to build relationship for future M&A and to more proactively and aggressively seek out new projects. This will be done by creating a target list and approaching the companies independently as well as by utilizing the network of KOKUBU GROUP CORP.

The other goal is the expansion of business for existing group companies.

Yoshimura Food Holdings supports the expansion of business operations of each company and solves problems by supervising each of the company's functions. The "SME Support Platform" is applied to these companies which have excellent products and technologies but could not achieve growth for reasons such as the lack of sales channels, labor shortage or poor business management.



(Taken from the reference material of the company)

What is the SME Support Platform?

The core of this unique business model is the "SME Support Platform," a product of the company's accumulation of skill, knowledge, and achievements through its specializing in food manufacturing and sales.

As a holding company, Yoshimura Food Holdings is responsible for business strategies' design and implementation, as well as the business management of each subsidiary in the group. It also aims to strengthen the business foundation of each subsidiary through the company supervisor's horizontal supervision of its functions (sales and marketing, production management, procurement and distribution, product development, quality control, business management, and securing personnel) in a manner that goes beyond the company barriers and by building organic relations between subsidiary companies.

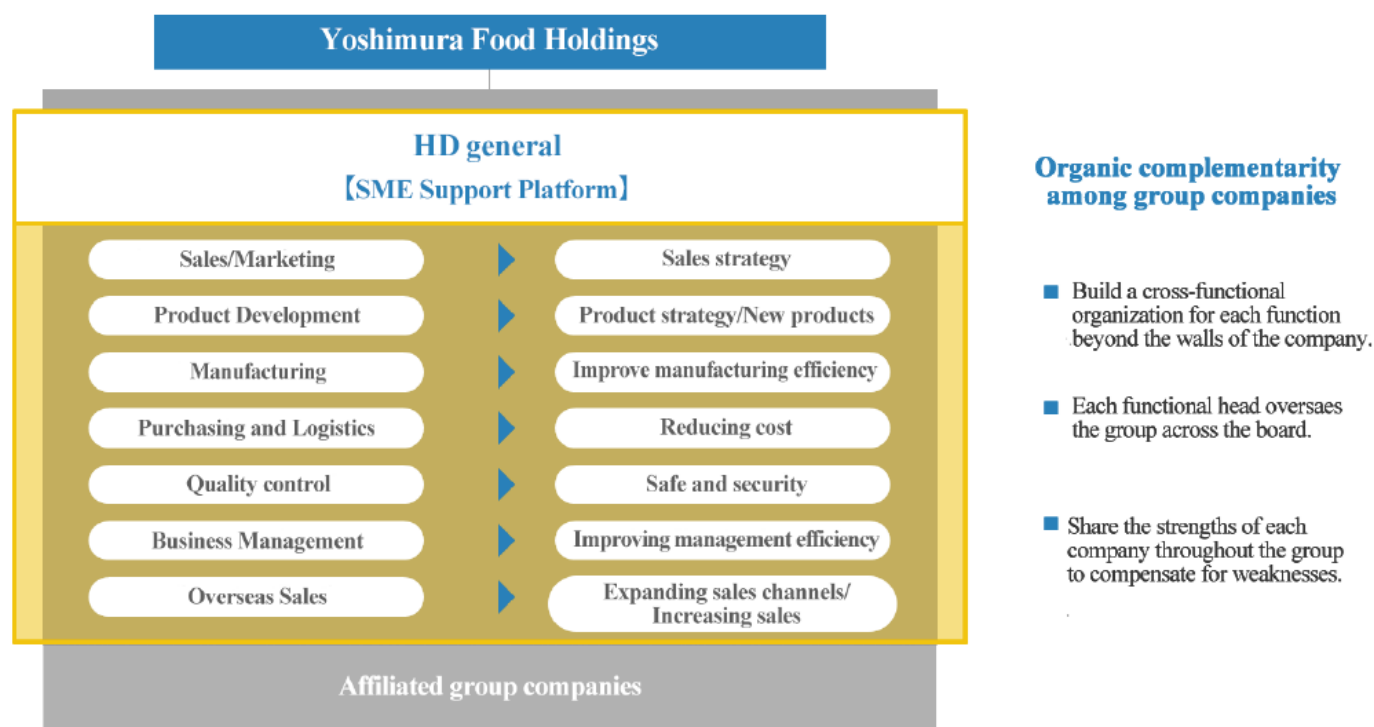
For example, Company A which has an excellent product but is worried about sales growth can use the sales channels and skills of Company B that has a nationwide sales network. Also, it can achieve a stable financial position by using the creditworthiness of Yoshimura Food Holdings which is listed in the stock market to raise funds.

This cooperation is made to be more effective through appointing the personnel in the group with the highest levels of expertise as supervisors.

Hence, the "SME Support Platform" is a system in which each company's "strengths" such as strong products and technologies, sales channels, and manufacturing skills are shared across the group and their "weaknesses" such as a shortage in personnel, funds, or sales channels are supplemented.

The "SME Support Platform" is functioning effectively under the current structure, but as subsidiaries will increase further, their skills will be added as a new strength, and the managerial resources of the corporate group will be accumulated, bringing out a new synergy so that existing subsidiaries will be able to seize opportunities to grow their business and acquire the skills necessary to streamlining their production processes.

Such scalability of the platform will fortify the business foundation of Yoshimura Food Holdings.

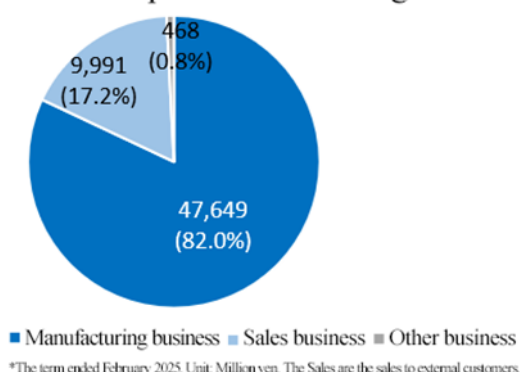


(Taken from the reference material of the company)

② Segments

The company has two main segments: the “manufacturing business segment” and “sales business segment.” “Other businesses” are composed of the rental and management of real estate, event media marketing, etc.

Sales composition of each segment



◎ Manufacturing Business Segment

Each company develops and manufactures their own unique products. Domestic enterprises sell these products mainly to supermarkets, convenience stores, drugstores, restaurants, etc. throughout Japan through wholesalers, while marine products, predominantly scallops, are sold mainly to exporting companies.

Overseas enterprises sell products to hotels, restaurants, supermarkets, etc. in Singapore and Malaysia. As of the end of February 2025, there are 26 main group companies as tabulated below.

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(Group Companies within the Manufacturing Business Segment)

Company Name	Features
Raku-you Food Co., Ltd. (Adachi-ku, Tokyo)	With five factories in Japan, the company manufactures and sells chilled shumai and chilled dumpling. It has the largest share of chilled shumai production in Japan.
Ohbun Co., Ltd (Shikokuchuo City, Ehime Prefecture)	The company has a unique route to procure oysters from the rare supplies of Hiroshima Prefecture and produces and sells fried oysters as its main product. They also sell fried chicken cartilage, fried chicken meat, and other items.
Shiroishi Kosan, Inc. (Shiroishi City, Miyagi Prefecture)	It was established in 1886, the company's main product is Shiroishi Umen, a specialty of Shiroishi City, Miyagi Prefecture. It manufactures and sells dried noodles and other products made using traditional methods.
Sakuragao Shuzo K.K. (Morioka City, Iwate Prefecture)	The company was established in 1973 as a collective of 10 local breweries in Iwate Prefecture. The sake is brewed using the skills of the biggest Toji (head brewers) group in Japan, Nanbu Toji, and has a high reputation for its fruity taste.
Daishow Co., Ltd. (Tokigawa-machi, Hiki-gun, Saitama Prefecture)	The company is a pioneer in the peanut butter industry. "Peanut Butter Creamy" made by its own unique manufacturing methods has been continuously a long-selling product since when it was first sold in 1985.
Yuhoku Suisan Co., Ltd. (Oi-machi, Ashigarakami-gun, Kanagawa Prefecture)	The company manufactures and sells negitoro and tuna slices using tuna that is immediately frozen on the ship at minus 50-60 degrees Celsius as soon as it is caught.
Junwa Food Corporation (Kumagaya City, Saitama Prefecture)	The company manufactures and sells jellies. It has constructed a perfect quality control system, including having acquired the Saitama Prefecture HACCP certification. Although it is still a start-up company in jelly production, it has an established reputation within major hypermarkets for its products' quality and technological capabilities.
SK Foods Co., Ltd. (Yorii-machi, Osato-gun, Saitama Prefecture)	The company mainly manufactures and sells chilled and frozen pork cutlet and makes products that meet customer needs. It also conducts direct procurement and direct sales without depending on any trading companies.
Yamani Noguchi Suisan Co., Ltd. (Rumoi City, Hokkaido Prefecture)	For half a century, the company has manufactured and sold Hokkaido prefecture's specialties such as salmon jerky and herring that are prepared by its skilled workers with unique manufacturing techniques.
JSTT SINGAPORE PTE. LTD. (Singapore)	Located in Singapore, the company manufactures and sells sushi, makimono, rice balls, etc.
Omusubikororin Honpo Co., Ltd. (Azumino City, Nagano Prefecture)	Using its own freeze-dry device, the company manufactures ingredients for confectionery, emergency food, etc. Its "Mizu Modori Mochi" (rice cakes that can be prepared by adding water) is famous for being used in the Space Shuttle Endeavour.
Marukawa Shokuhin Co, Ltd. (Iwata City, Shizuoka Prefecture)	A famous dumpling shop in Hamamatsu area. The company manufactures and sells dumplings at the store, using carefully selected ingredients and a secret recipe the company has been following since its establishment.
PACIFIC SORBY PTE. LTD. (Singapore)	The company processes and wholesales chilled and frozen seafood products in Singapore.
Mori Yougyojou Co., Ltd. (Ogaki City, Gifu Prefecture)	The company harvests the highest quantity of farmed ayu (sweetfish). It has nurtured an original technique for collecting and incubating roe to grow and ship a stable supply of fish. In addition, it possesses the technology to make fish give birth to male or female fish.
NKR CONTINENTAL PTE. LTD. (Singapore)	Located in both Singapore and Malaysia, the company manufactures, imports, sells, designs, installs, and maintains kitchen equipment.
Kaorime Honpo Co., Ltd. (Izumo City, Shimane Prefecture)	The company produces a wide array of high-quality products that is both original and by OEM orders, including soft dried seaweed for seasoning rice, dried hijiki for seasoning rice, seaweed soup, ochazuke with seaweed, etc.

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Junido Co., Ltd. (Dazaifu City, Fukuoka Prefecture)	The company manufactures and sells soft furikake (rice seasoning) such as Umenomihijiki. It has many fans all over the country and is very popular.
K.K. Odakishouten (Kasama-shi, Ibaraki Prefecture)	The company manufactures and sells products made mainly from Iwama Chestnuts in Ibaraki Prefecture.
Hosokawa Foods, Co., Ltd. (Kanonji-shi, Kagawa Prefecture)	The company manufactures and sells frozen delicatessen products such as kakiage and chijimi using domestic vegetables, as well as frozen rice products such as sekihan (red bean rice).
Kobayashi Noodle Co., Ltd. (Sapporo-shi, Hokkaido)	The company is mainly engaged in producing and selling fresh noodles (ramen), producing gyoza (dumpling) skins, and selling seasonings including sauce.
Hayashi-Kyuemon-Shoten Co., Ltd. (Fukuoka City, Fukuoka Prefecture)	The company produces, processes, and sells flaked bonito and broth, with its main product being Monaka Osuimono (lightly seasoned broth placed inside rice wafers), which was originally developed by the company.
Marukichi Co., Ltd. (Abashiri City, Hokkaido)	The company manufactures, processes and sells mainly large and meaty scallops caught in the Sea of Okhotsk, as well as salmon, salted salmon roe, crab, etc.
YS Foods Co., Ltd. (Mori-machi, Kayabe-gun, Hokkaido)	The company manufactures, processes and sells mainly scallops caught in the Funka Bay, which is regarded as a prominent fishing zone in Hokkaido, as well as salmon, salted salmon roe, squid, etc.
Matatsu Suisan Co., Ltd. (Oshamambe-cho, Yamakoshi-gun, Hokkaido)	The company sells mainly scallops and salmon caught in Oshamambe, Hokkaido and processed with advanced technologies at cutting-edge facilities.
Seidou Suisan Co., Ltd. (Mori-machi, Kayabe-gun, Hokkaido)	The company processes fresh shelled scallops caught in the Funka Bay by removing a half of the shell, and sells them, boasting an overwhelming market share in the domestic production amount of half-shelled scallops.
Fukyo Food Co., Ltd. (Noda City, Chiba Prefecture)	The company manufactures and sells Chinese food ingredients, with spring roll wrappers as its main product.

◎ Sales Business Segment

Companies whose strengths are sales capability and planning skills. Domestic enterprises sell products to mainly industrial catering companies, consumer cooperatives, etc., while overseas enterprises sell products to mainly supermarkets, hotels, restaurants, etc. As of the end of February 2025, group companies are the following four.

(Group Companies within the Manufacturing Business Segment)

Company Name	Features
KK Yoshimura • Food (Koshigaya City, Saitama Prefecture)	The company mainly conducts the planning and sales of industrial food ingredients. It does not have distribution channels, but it has constructed a business model where it sends products directly to customers.
Joy Dining Products K.K. (Koshigaya City, Saitama Prefecture)	The company conducts the planning and sales of frozen foods. It also has direct accounts with consumer co-ops throughout Japan and utilizes them to sell the products of the group companies.
SIN HIN FROZEN FOOD PRIVATE LIMITED (Singapore)	The company procures high quality, safe and trusted frozen seafood products and processed seafood products from the influential seafood companies in various parts in Asia.
YS Kaisyo Co., Ltd. (Mori-machi, Kayabe-gun, Hokkaido)	In addition to careful selection of ingredients from Hokkaido, which is called “the treasure trove of food,” and the sale at shops and online, the company operates a hot spring facility and a restaurant.

© Other segments

As of the end of February 2025, the group companies are the following two companies.

(Other Segment Group Companies)

Company	Characteristics
SHARIKAT NATIONAL FOOD PTE. LTD. (Singapore)	The Company owns a food factory and a cold storage warehouse for food products in Singapore and is engaged in the real estate leasing business.
ONESTORY Inc. (Shibuya-ku, Tokyo)	The company conducts event businesses. It rediscovers and restructures the food and culture hidden in the local region and produces them as premium content.

[1-5 Characteristics and Strengths]**① The Advantage in Business Succession through Acquisition**

There are leading strong buyers in M&A in the food industry, such as major food companies and investment funds; however, this company has three main points that form strong competitive advantages, which are explained below.

***Ability to Acquire Companies of Various Scales**

The company does not aim to sell the companies it acquired. It aims to not only achieve short term business recovery, but also sustainable growth from a medium to long term perspective. Therefore, the company can acquire a variety of SMEs, including those with a small business scale that would take time to achieve growth and those that lack management resources for growth. This point creates a huge difference between the company and other major food companies and investment funds that need the companies they will acquire to be of a certain scale. Moreover, it is not easy for investment funds aiming to generate capital gains from selling companies to gain the trust of owners and managers of food SMEs. Regarding this point, this company operating company groups with the aim of achieving sustainable growth from a medium-term perspective also has a huge advantage.

***Advanced Capability of M&A**

Since its establishment, the company has worked on creating many company groups out of food-related SMEs and later has achieved re-growth of these companies. Thus, it has thorough knowledge of the market environment of the food industry, business practices and risks that are peculiar to food SMEs, and strong assessment abilities, which enable the company to choose companies that have strengths from a large number of SMEs.

Also, the company has an extremely high capability of M&A since it has great expertise and accumulated knowledge in due diligence and negotiations.

***Rich and High-Quality M&A Data through its Wide Network**

The company can gather plenty of M&A data on the food SMEs since it has a wide network of financial institutions, such as city banks, regional banks, credit associations, securities companies and companies that provide M&A advisory services.

Furthermore, the company's specialization in the food industry and the reassurance that the company is not aiming to sell are the two factors allowing the company to access not only to a huge amount of data, but also high-quality data that meets its needs.

② Core Skill: SME Support Platform

The company revitalizes the group companies through the "SME Support Platform" in which each group company's "strengths" such as strong products and technologies, sales channels, and manufacturing know-how are shared across the group and their "weaknesses" such as a shortage in personnel, funds or sales channels are supplemented. These achievements are highly evaluated.

③ Contribution to regional vitalization

The company has actively implemented the business succession, etc. of local food SMEs, including Sakuragao Shuzo K. K. (Iwate Prefecture), Shiroishi Kosan Co., Ltd. (Miyagi Prefecture), and Ohbun Co., Ltd. (Ehime Prefecture), which are subsidiaries.

By utilizing the SME Support Platform, it is possible to distribute attractive products that have been available only in some regions to all around Japan (and overseas) and invest in new equipment by using the funds of the corporate group. Through this, the company contributes to the regrowth of local small and medium-sized food enterprises and the vitalization of local economies.

[1-6 Dividend Policy and Shareholders' Benefit System]

(Dividend Policy)

Although payout to shareholders is one of the important business challenges, it is thought that allocating the cash to M&A and investment in the facilities to actively expand the business and to strengthen the business foundation by expanding the platform is what would lead to the highest payout to the shareholders because the company is within the growth process.

Therefore, the company has not provided dividend payout to its shareholders since its establishment and as of the time being, it plans to continue using the cash to invest in business expansion and as necessary operating capital for the existing companies. The company is planning to look into providing dividend payouts to its shareholders while considering the operating performance and financial conditions for each business year.

(Shareholders' Benefit System)

To enhance shareholder satisfaction, the company offers benefits to shareholders based on the number of shares held and the duration of the holding period.

(Outline of the benefit system for shareholders)

Number of Shares	Number of Times to Receive Special Benefits	Special Benefit Content
300 - 499 shares	Once a year (shareholders as of the end of February who have been holding shares for a year or longer)	Products worth 1,500 yen from the group companies
500 - 2,499 shares	Once a year (shareholders as of the end of February who have been holding shares for a year or longer)	Products worth 2,500 yen from the group companies
2,500 - 9,999 shares	Twice a year (shareholders as of the end of February and August who have been holding shares for a year or longer)	Seafood set including scallops and salted salmon roe worth 10,000 yen
10,000 - 49,999 shares	Twice a year (shareholders as of the end of February and August who have been holding shares for a year or longer)	Premium Hokkaido set worth 40,000 yen
50,000 shares or more	Four times a year (shareholders as of the end of February, May, August, and November who have been holding shares for a year or longer)	Premium Hokkaido set worth 40,000 yen

The Premium Hokkaido set includes rare products unavailable in the market, which are specially manufactured or handled mainly by the group companies MARUKICHI and YS Foods.

[1-7 ESG Management]

The company is working on its ESG management based on the goal mentioned above, "A society where we can enjoy this 'delicious taste' forever ~Achieving affluence that allows consumers to enjoy diverse food cultures~."

Items	Main Initiatives
E (Environment)	<p>Production of environmentally friendly, sustainable products</p> <p>*To hold the technology and skill to produce sustainable products that do not depend on environmental changes or produce environmental burdens</p> <p>*To utilize a limited amount of food resources and conduct efficient production</p> <p>Mori Yougyojou: It supplies farmed ayu (sweetfish) stably with its original technology, while the natural resources of ayu are decreasing due to climate changes, water pollution in the rivers, etc.</p> <p>Yamani Noguchi Suisan: It helps reduce food loss by developing products using residue and food that do not satisfy size specs.</p> <p>Yuhoku Seafood Processing: It produces and sells negitoro (minced tuna and green onion) and nakaochi (tuna meat scraped from the backbone) efficiently, by effectively utilizing ingredients.</p> <p>Recycling of industrial waste from the manufacturing process</p> <p>*Group companies: To utilize food waste by offering the waste produced during the manufacturing process to local livestock breeders and others</p> <p>Reduction of power consumption</p> <p>*Group companies: To install LED lighting, highly efficient boilers, etc. for reducing power consumption at factories</p>
S (Society)	<p>Contribution to the business continuity by involving enterprises that have loyal fans in each region</p> <p>Contribution to the diversity of food in local communities</p> <p>*To develop products with rigorously selected ingredients and recipes, which are strongly demanded by local consumers</p> <p>Kaorime Honpo: It has a dominating share in the rice seasoning market in the Chugoku region.</p> <p>Marukawa Shokuhin: It uses rigorously selected ingredients, such as fresh pork and locally grown cabbage, and secret recipes</p> <p>Omusubikororin Honpo: It develops local specialties by taking advantage of its location of Shinshu-azumino and their freeze-drying technology</p> <p>Daishow: It does not use preservatives or colorants. This creates a smooth texture and taste you will never get tired of.</p> <p>Ohbun: It procures oysters harvested in the clean sea areas of Hiroshima and conditional clean sea areas</p> <p>* Participating in a free lunch support project for students (Omusubikororin Honpo) and providing field trips for elementary school students and gifts (Mori Yougyojou and Junwa Food)</p> <p>Diversity of employees</p> <p>*Group companies: To prepare opportunities for female employees to flourish, and take measures for recruiting disabled and foreign workers</p>
G (Governance)	<p>Support with the SME Support Platform</p> <p>*To design business plans and get involved in progress management according to situations while securing the autonomy of each group company</p> <p>*To establish the control section for each function, support business and manage progress as a corporate group</p>

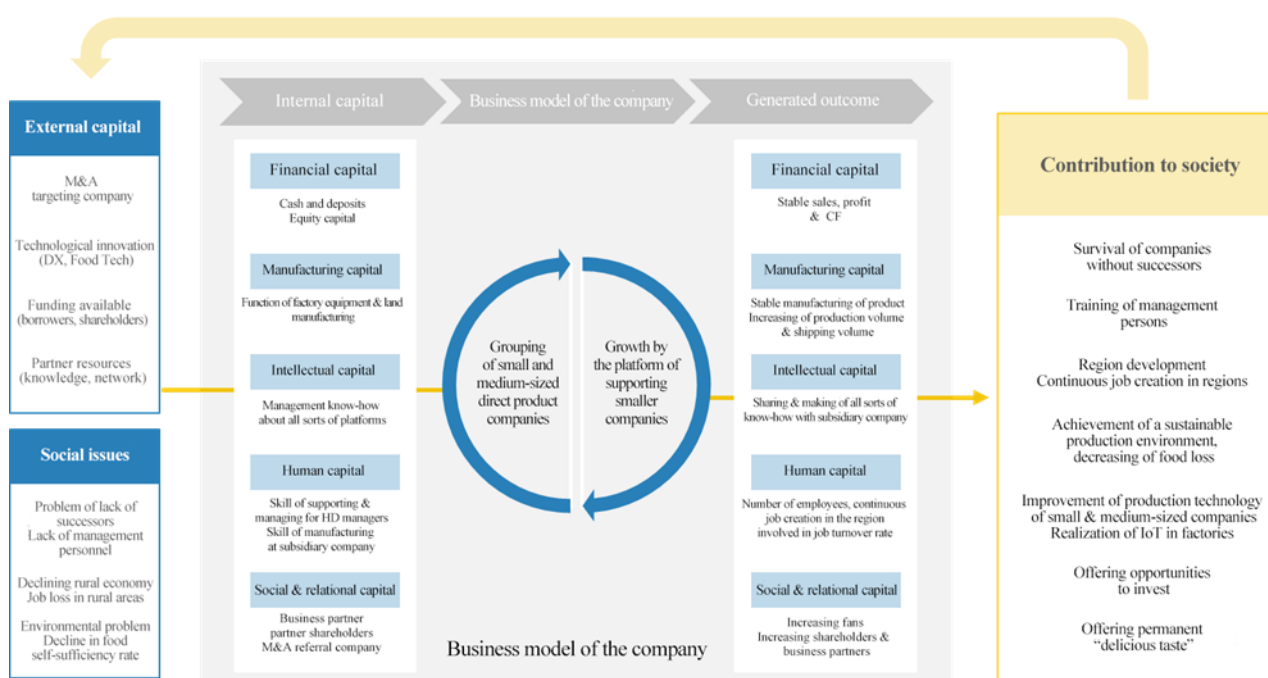
Support for managerial resources

*To support the management of group companies, by procuring funds and training next-generation employers for them

The company recognizes that taking over companies that have no successors and revitalizing it as their group companies is ESG management itself.

Also, the company believes that contributing to local communities and providing value to consumers by promoting ESG management, as well as increasing the number of good companies that sympathize with the group and want to participate, and the companies and consumers that sympathize with the group and support them as shareholders, will lead to the realization of sustainable growth.

Promote sustainable ESG management by leveraging social capital to turn the business model around, creating corporate value and increasing empathy with the Group among stakeholders, while at the same time continuing to return value to society through contributions to the local community, etc.



(Taken from the reference material of the company)

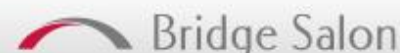
2. Fiscal Year ended February 2025 Earnings Results

[2-1 Consolidated results]

	FY 2/24	Ratio to sales	FY 2/25	Ratio to sales	YoY	Compared with revised forecast
Net sales	49,781	100.0%	58,110	100.0%	+16.7%	-0.2%
Gross profit	10,288	20.7%	13,299	22.9%	+29.3%	-
SG&A expenses	7,921	15.9%	9,138	15.7%	+15.4%	-
Operating income	2,366	4.8%	4,161	7.2%	+75.8%	+34.2%
Ordinary income	2,989	6.0%	4,251	7.3%	+42.2%	+20.0%
Net income	1,036	2.1%	1,861	3.2%	+79.5%	+14.9%
EBITDA	4,291	8.6%	6,626	11.4%	+54.4%	+26.3%

*Unit: Million yen. Net income is net income attributable to owners of the parent. EBITDA is calculated by adding amortization (depreciation, goodwill), COVID-19-related subsidy income and acquisition costs associated with M&A to operating income. The revised forecast ratio is the ratio to the earnings forecast announced in January 2025.

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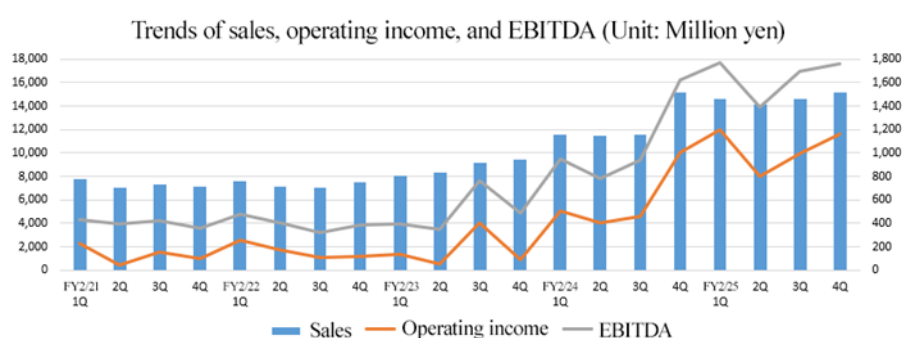


Sales increased and profit increased significantly, both exceeded the earnings forecasts.

Sales increased 16.7% year on year to 58.1 billion yen, with growth both domestically and overseas. This was driven by strengthened sales efforts at existing companies and the acquisition of the YS Foods Group subsidiaries (YS Foods, Matatsu Suisan, Seidou Suisan, and YS Kaisyo) as subsidiaries.

Operating income rose significantly by 75.8% year on year to 4.1 billion yen. The inclusion of the YS Foods Group in the scope of consolidation, along with rising scallop sales prices, resulted in substantial profit growth for both YS Foods Group and MARUKICHI. Gross income margin improved 2.2 percentage points, with gross profit increasing 29.3% year on year, outpacing revenue growth due to a higher sales composition ratio of the highly profitable scallop business. Although SG&A expenses rose 15.4% year on year, they were absorbed, resulting in a significant increase in profit.

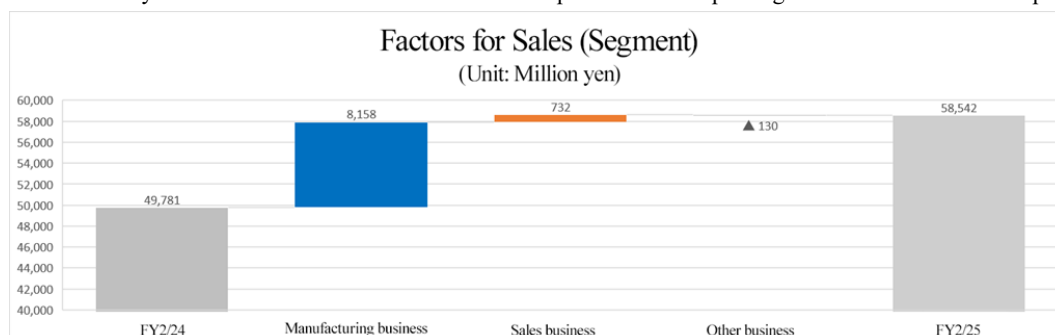
A special income of 1.2 billion yen was recorded, consisting of compensation from Tokyo Electric Power Company and other scallop-related subsidies. On the other hand, a special loss of 700 million yen was recorded due to the impairment of goodwill associated with the acquisition of shares in subsidiaries, including JSTT Singapore Pte. Ltd.



[2-2 Results of each segment]

	FY 2/24	Composition ratio	FY 2/25	Composition ratio	YoY
Net sales					
Manufacturing business	39,923	80.2%	47,649	82.0%	+19.3%
Sales business	9,259	18.6%	9,991	17.2%	+7.9%
Other businesses	598	1.2%	468	0.8%	-21.7%
Total	49,781	100.0%	58,110	100.0%	+16.7%
Operating income					
Manufacturing business	2,598	6.5%	4,335	9.0%	+66.8%
Sales business	518	5.6%	586	5.9%	+13.2%
Other businesses	23	3.9%	-70	-	-
Adjusted amount	-773	-	-690	-	-
Total	2,366	4.8%	4,161	7.1%	+75.8%

*Unit: Million yen. Sales are sales to external clients. The composition ratio of operating income means the ratio of operating income to sales.



*Prepared by Investment Bridge Co., Ltd. based on disclosed material.

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***Manufacturing business segment**

Sales and profit increased.

Domestically, the YS Foods Group made a significant contribution to earnings. Sales and profit increased due to higher sales of low-priced products driven by growing consumer saving trends, as well as a rise in the unit selling price of scallop meat at MARUKICHI Co., Ltd. Overseas, sales increased, but profit declined due to changes in the competitive environment in Singapore and rising raw material costs.

***Sales business segment**

Sales and profit increased.

Domestically, sales remained steady at the previous fiscal year's level despite intense price competition, supported by deepening relationships with existing customers and the development of new clients.

Overseas, scallop sales by SIN HIN FROZEN FOOD PRIVATE LIMITED performed strongly.

[2-3 Results of each region]

	FY 2/24	FY 2/25	YoY
Domestic	38,643	46,374	+20.0%
Overseas	11,138	11,735	+5.4%
Singapore	8,804	9,488	+7.8%
Malaysia	2,333	2,246	-3.7%
Total	49,781	58,110	+16.7%

*Unit: Million yen.

◎ Domestic Business

The YS Foods Group contributed to the increase in sales.

◎ Overseas Business

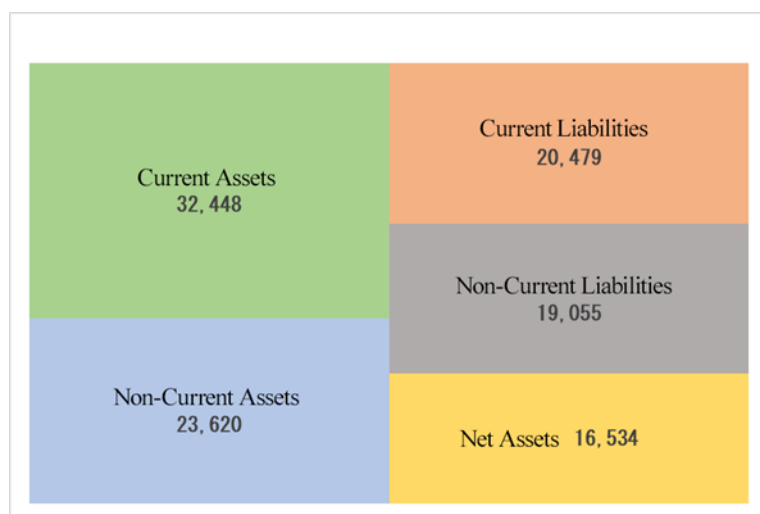
Although the company experienced a decline in revenue in Malaysia, increased scallop sales by MARUKICHI and YS Foods contributed to overall sales growth.

[2-4 Financial conditions and cash flow]**◎ Main balance sheet**

	End of Feb. 2024	End of Feb. 2025	Increase/ Decrease		End of Feb. 2024	End of Feb. 2025	Increase/ Decrease
Current assets	28,337	32,448	+4,111	Current liabilities	25,026	20,479	-4,547
Cash and deposits	10,225	13,170	+2,945	Notes and accounts payable - trade	2,921	3,309	+387
Notes and accounts receivable - trade	7,131	8,186	+1,054	Short term interest-bearing liabilities	18,486	12,434	-6,052
Inventories	10,193	10,177	-15	Non-current liabilities	15,307	19,055	+3,748
Non-current assets	25,167	23,620	-1,547	Long term interest-bearing liabilities	13,126	16,476	+3,349
Property, plant and equipment	10,842	11,217	+374	Total liabilities	40,333	39,534	-799
Intangible assets	11,987	10,197	-1,790	Total net assets	13,171	16,534	+3,363
Investments and other assets	2,337	2,205	-131	Retained earnings	4,765	6,627	+1,861
Total assets	53,505	56,069	+2,563	Total liabilities and net assets	53,505	56,069	+2,563
				Total interest-bearing liabilities	31,612	28,910	-2,702

*Unit: Million yen

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*Prepared by Investment Bridge Co., Ltd. based on disclosed material.

Total assets increased 2.5 billion yen from the end of the previous fiscal year to 56 billion yen due to the increase in cash and deposits caused by accumulated profits and the receipt of compensation payments.

Total liabilities decreased 700 million yen from the previous fiscal year to 39.5 billion yen as accounts payable decreased, etc.

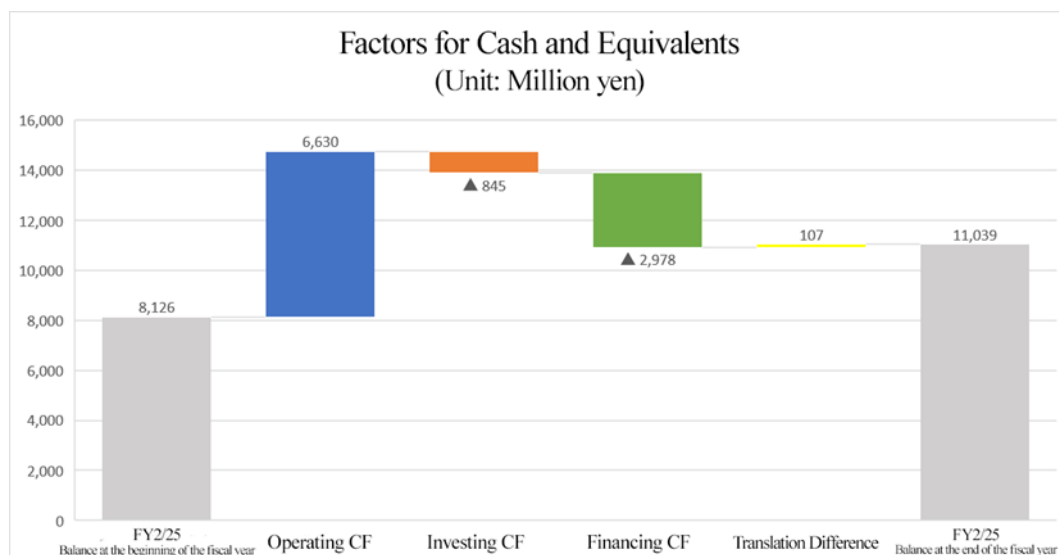
Total net assets grew 3.3 billion yen from the previous fiscal year to 16.5 billion yen, due to an increase in retained earnings and foreign currency translation adjustments.

Equity ratio rose 3.4 points from the previous fiscal year to 19.7%.

◎ Cash flows

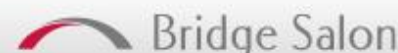
	FY 2/24	FY 2/25	Increase/Decrease
Operating CF	5,764	6,630	+866
Investing CF	-4,529	-845	+3,683
Free CF	1,234	5,784	+4,549
Financing CF	2,318	-2,978	-5,296
Balance of cash and cash equivalents	8,126	11,039	+2,913

*Unit: Million yen



*Prepared by Investment Bridge Co., Ltd. based on disclosed material.

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The cash inflow from operating activities augmented due to an increase in net income before taxes and other adjustments and an increase in accounts payable. The deficit in investment cash flow narrowed due to reduced expenditures related to the acquisition of subsidiary shares, which involved changes in the scope of consolidation, resulting in an increase in the surplus of free cash flow.

The cash position risen.

[2-5 Topics]

(1) Merger of OHBUN CO.,LTD and HOSOKAWA FOODS CO., LTD.

In April 2025, the company resolved to carry out an absorption-type merger, with its subsidiary OHBUN CO.,LTD as the surviving entity and the other subsidiary, HOSOKAWA FOODS CO., LTD., as the absorbed entity. The merger is scheduled to take effect on March 1, 2026.

Purpose of the Merger

This merger is aimed at integrating the management resources of both companies, thereby strengthening product capabilities, production systems, and sales foundations and establishing a business structure that can flexibly respond to the rapidly changing market environment. By jointly utilizing the geographically close production facilities of both companies, the merger aims to establish an efficient production system and enhance productivity through the consolidation and reorganization of manufacturing operations. Additionally, by sharing procurement channels, the companies aim to secure a stable raw material supply and achieve cost reductions through economies of scale. By combining HOSOKAWA FOODS' strengths in product development using domestically sourced vegetables and processing technologies such as steaming and frying with OHBUN's nationwide sales network, organized product development system, and expertise in numeric control of manufacturing processes, the merger will enhance the speed and quality of product development while expanding the product lineup.

Through these synergies, the merged entity aims to establish a system that consistently provides customers with higher-value-added products and services, thereby enhancing corporate competitiveness and promoting sustainable growth.

(2) Concerning compensation from TEPCO

Tokyo Electric Power Company announced that it would compensate companies affected by the release of treated water according to the following outline, and each has received a partial payment of compensation.

1) For export-related businesses (businesses that suffered damages associated with exports)

Eligible Damages	Compensation Calculation Method	Overview of Compensation
Loss of revenue resulting from actual disposal, resale, or the forced abandonment of production or manufacturing due to import bans or other restrictions imposed by export destination countries following the release of treated water.	Lost profits + Inspection costs + Additional expenses – Subsidies, insurance payouts, etc.	In December 2024, YS Foods received approximately 850 million yen in compensation (covering the period from August 1, 2023, to October 31, 2023).

YS Foods will continue to claim compensation for damages incurred from November 1, 2023, onward, and MARUKICHI and Matatsu Suisan will also continue to file compensation claims.

2) Seafood processing and seafood wholesale businesses

Eligible Damages	Compensation Calculation Method	Overview of Compensation
Lost profits and additional expenses resulting from reputational damage caused by the release of treated water.	Lost profits + Additional expenses	In March 2025, Matatsu Suisan received approximately 130 million yen in compensation.

As in 1), YS Foods and Matatsu Suisan will continue to pursue compensation claims.

*Lost profits are “the amount obtained by subtracting the difference between expenses that would have been borne in case the wastewater had not been discharged and actual expenses (expenses which did not have to be borne as a result of the discharge of wastewater) from the difference between revenues that would have been gained in case the wastewater had not been discharged and revenues actually gained.”

(3) Insider Trading Incident and Preventive Measures

(Case Overview)

In January 2025, two former representative directors of our subsidiaries, MARUKICHI Co., Ltd. and YS Foods Co., Ltd., were reported to the Sapporo District Public Prosecutors Office by the Securities and Exchange Surveillance Commission on suspicion of violating the Financial Instruments and Exchange Act (insider trading and unauthorized information disclosure). Subsequently, they were indicted by the Sapporo District Public Prosecutors Office based on charges of violating the Act.

(Cause Analysis)

The company has positioned the enhancement of compliance and risk management as a top management priority and has been continuously working to strengthen its internal control, including measures to prevent insider trading. Specific efforts have included establishing insider trading prevention regulations applicable to the company and its subsidiaries, enforcing these rules thoroughly, and conducting educational and awareness programs through training sessions. Despite these efforts, the company deeply regrets that such an incident has occurred. It believes the primary cause was a lack of compliance awareness among some former executives with regard to insider trading. The company takes this matter very seriously and is re-evaluating its internal control systems to prevent insider trading. In addition to formulating measures to prevent recurrence, the company will further strengthen awareness and education initiatives for all employees.

(Overview of Recurrence Prevention Measures)

The company will establish a robust management system to prevent the recurrence of insider trading through revisions to internal regulations, enhanced employee training, stricter information control, and a strengthened audit framework. These measures will be implemented promptly and thoroughly, with the entire group working together to ensure that such incidents do not happen again.

(1) Revision of Insider Trading Prevention Regulations

1. Clarification of prohibited conduct and detailed descriptions of disciplinary actions in the event of violations.
2. Expansion of the pre-clearance requirement for stock transactions to include all employees, including those of subsidiaries.
3. Re-communication and reinforcement of the insider trading prevention regulations and rules to all employees, including subsidiaries.
4. Regular audits by the Internal Audit Office to continuously monitor the implementation and effectiveness of the regulations across the entire organization.

(2) Reorganization of Education and Awareness Activities

1. Regular communication from the top management to reinforce awareness of compliance.
2. Periodic training sessions on insider trading prevention for managerial-level employees and above, including those at subsidiaries.
3. Periodic specialized training on insider trading prevention for executives, including those at subsidiaries.
4. Regular improvement and selection of training programs in consultation with external experts.
5. Mandatory submission of a written pledge to comply with insider trading regulations upon appointment as an executive or upon hiring as an employee.

(3) Strengthening of Information Management Systems

1. Improving the management framework for handling material information, with strict enforcement of access rights controls.
2. Revision of rules regarding the handling of confidential information, and enhancement of information leakage prevention measures through audits of email and information-sharing tools.
3. Regular audits by the Internal Audit Office to continuously monitor the implementation and effectiveness of the company-wide information management system.

(4) Strengthening of Monitoring and Governance

1. Stricter monitoring of stock trading activities, including regular reviews of stock ownership status among managerial-level employees and above, including those at subsidiaries.
2. Establishment of a framework to promptly and accurately conduct in-depth investigations in the event of any suspicious trading activity.
3. During M&A transactions, the company will inform counterparties of the prohibition on trading its shares and obtain written pledges at appropriate stages, such as upon signing of a basic agreement.

4. As part of the post-merger integration process, insider trading prevention training will be conducted for executives and employees of companies newly joining the group through mergers and acquisitions.

(Clarification of Management Responsibility)

The company takes this incident with the utmost seriousness and, in recognition of management's responsibility, has resolved to reduce the compensation of directors (excluding the CEO, CFO, and outside directors).

The reduction rate will be 30%, 20% or 10%. The reduction will be in effect for two months, from April to May 2025.

3. Fiscal Year ending February 2026 Earnings Estimates

[Earnings estimates]

	FY 2/25	FY 2/26 (Estimate)	YoY
Net sales	58,110	60,700~63,700	+4.5%~+9.6%
Operating income	4,161	3,000~4,000	-27.9%~-3.9%
Ordinary income	4,251	2,900~3,900	-31.8%~-8.3%
Net income	1,861	1,120~1,580	-39.8%~-15.1%
EBITDA	6,626	5,570~6,570	-15.9%~-0.9%

*Unit: Million yen. Net income is net income attributable to owners of the parent. EBITDA is calculated by adding amortization (depreciation, goodwill) and acquisition costs associated with M&A to operating income.

Expected to increase in sales but decrease in profit

Due to uncertainties in the U.S. tariff policies and unpredictable fluctuations in scallop procurement and sales prices, sales and profit forecasts are presented as a range.

Sales are expected to increase thanks to organic growth among existing companies.

Operating income projections are based on current scallop procurement and sales prices.

Net income does not include compensation from Tokyo Electric Power Company.

4. Medium-term Management Plan

A medium-term management plan toward the fiscal year ending February 2030 was announced.

[4-1 Future Vision]

They aim to become a “global producer of small and medium-sized food enterprises.”

They will provide aid to small and medium-sized enterprises that support the “delicious taste” of Japan and thus contribute to continuous regional development and the richness of global food culture. Moreover, by taking advantage of the popularity of Japanese food overseas, they will aim for global business growth.

[4-2 Quantitative Targets]

They will accelerate growth through organic growth and new M&A, aiming for “sales of 115 billion yen, an operating income of 8 billion yen and an EBITDA of 12 billion yen” by the fiscal year ending February 2030. Quantitative targets in the medium-term management plan include new M&A based on past achievements.

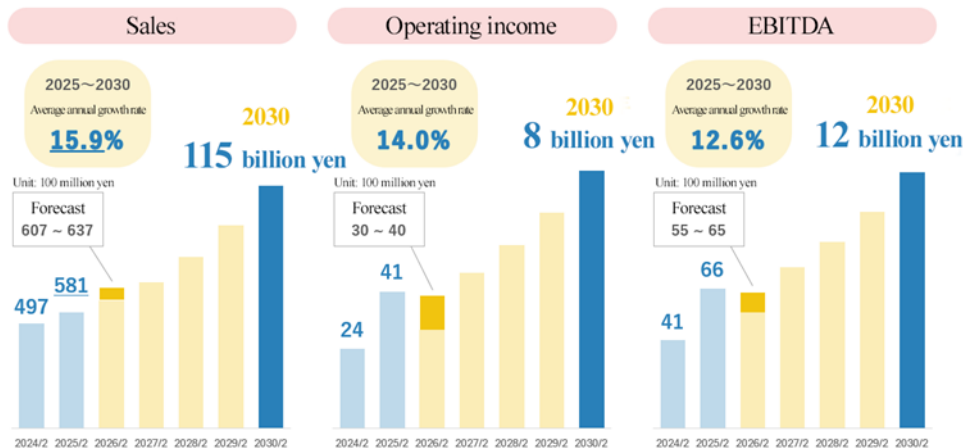
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Medium-term Management Plan – Quantitative Targets



Accelerate growth through organic growth and new M&A Aim for sales of 115 billion yen, an operating income of 8 billion and an EBITDA of 12 billion yen by FY 2/30 Quantitative targets in the medium-term management plan include new M&A based on past achievements

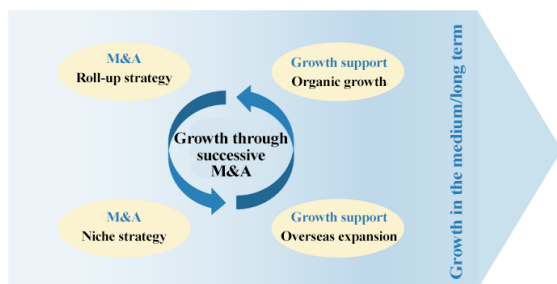


(Taken from the reference material of the company)

[4-3 Growth Strategy]

They have stated three growth strategies – “M&A (roll-up strategy and niche strategy),” “organic growth” and “overseas expansion.” At the same time, they will enhance and promote the system for complying with laws and regulations at each group company through the Compliance Department set up at Yoshimura Food Holdings, with the aim of reinforcing their management foundation.

Growth Strategy
Aim for growth in the medium to long term, sustained by two M&A strategies and two kinds of growth support



(Taken from the reference material of the company)

(1) M&A Strategy

① Roll-up strategy

By involving industry peers, mainly core companies, they will generate synergetic effects such as “stabilization of performance,” “cost reduction” and “production streamlining,” while expanding their market share.

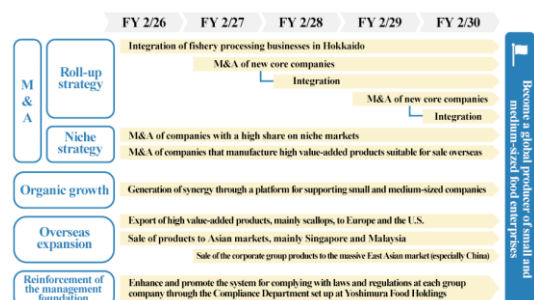
The integration of fishery processing business in Hokkaido can be given as a concrete example.

In the scallop processing industry in Hokkaido, where many small and medium-sized companies compete, they forged ahead with a roll-up strategy centered on the representative companies of MARUKICHI and YS Foods, acquiring a high market share in the scallop processing field. They will strive for a further expansion of revenues by inducing synergy.

<Major synergetic effects>

- Standardization of the production volume through cooperation within the group to improve production efficiency
- Group-wide utilization of raw materials, facilities and human resources

Medium-term Management Plan Roadmap



- Elevation of profitability through economics of scale
- Sharing of growth opportunities through the integration of procurement and sales channels

② Niche strategy

Acquire companies with a high share on niche markets or companies that have established a competitive advantage based on high value-added products as subsidiaries, and pursue growth through synergy within the group.



(Taken from the reference material of the company)

“Mori Yougyojou” and “Fukyo Food” can be given as concrete examples.

* Mori Yougyojou

A pioneer in land-based aquaculture of ayu (sweetfish), handling the whole process from the hatching of fry to shipment within the company. Mori Yougyojou has established a competitive advantage by acquiring a high share on a niche market and boasts a high profit margin.

After joining the corporate group, their sales grew about 1.6 times and operating income about 1.8 times in approximately 6 years.

*Fukyo Food

This company has maintained the largest share on the niche market of spring roll wrappers for business use over many years. They achieve high quality, which cannot be reproduced by other companies, through original recipes and production methods that have been passed on since the establishment, and their products are used at many high-end Chinese cuisine restaurants.

③ M&A Targets

The company will promote M&A, defining the following targets based on respective strategies.

	Roll-up strategy	Niche strategy	Other
Strategy	1. M&A centered on core companies that have established a distinctive position in a particular field 2. Integration of peripheral companies	1. Companies with a high share on niche markets 2. Companies with a high profit margin, manufacturing high value-added products	1. Companies with potential for synergetic effects with their corporate group companies 2. Companies with distinctive products, technologies, etc.
Industry type	Food Manufacturing Industry, Food Wholesale Industry, Food E-commerce Industry, Food Machinery Industry	Food Manufacturing Industry, Food Machinery Industry	Food Manufacturing Industry, Food Wholesale Industry, Food E-commerce Industry, Food Machinery Industry
Area	Whole Japan	Whole Japan	Whole Japan Southeast Asia (mainly Singapore and Malaysia)

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Sales (rough estimate)	Core companies: 2 billion yen or more Integrated businesses: 300 million yen or more	300 million yen or more	300 million yen or more
Profitability	Core companies: Operating profit of 500 million yen or more Integrated businesses: Focus on synergy	High profitability (Sales/EBITDA of 10% or higher)	Substantial profitability
Form	Transfer of a majority of shares (including business transfers) No minority stakes		

(Taken from the reference material of the company)

(2) Organic growth

Utilize the SME Support Platform to elevate performance by providing support for management and creation of synergy to group companies.

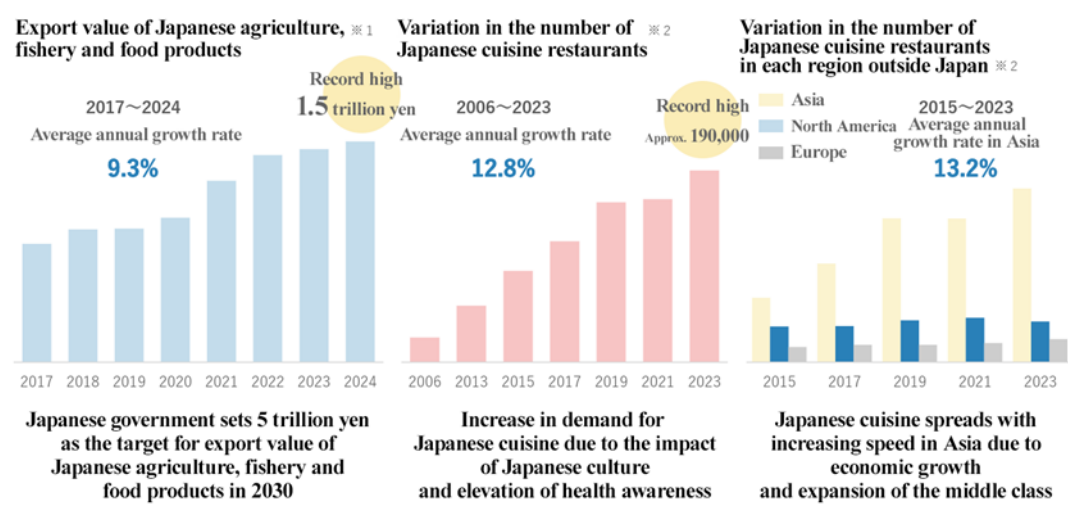
Representative examples of concrete cases are as follows.

Company name	Details and effects of support
Kobayashi Noodle Co., Ltd. (M&A conducted in December 2022)	Joint product development in cooperation with KOKUBU GROUP, their capital alliance partner. Release of the first Kobayashi Noodle product available at regular stores (noodles produced by Kobayashi Noodle were packed by Raku-you Food and released in supermarkets as a KOKUBU Hokkaido's exclusive product). After joining the corporate group, their sales grew about 1.3 times and operating income about 1.6 times in approximately 2 years.
Junido Co., Ltd (M&A conducted in January 2022)	Elevation of production efficiency through investment in production facilities. The brand is now widely recognized and the number of high-end supermarkets that sell their products has grown. After joining the corporate group, their sales grew about 1.5 times and operating income about 2.0 times in approximately 3 years.
K.K. Odakishouten (M&A conducted in June 2022)	Dispatch of human resources from the head office to provide support for business expansion in the medium/long term. The company started to harvest their own chestnuts through an alliance with business partners. Amid the increase of fallow land and difficulty in procurement of chestnuts caused by the lack of successors to chestnut farms, a stable production system is built through the expansion of fields managed by the company.

(3) Overseas expansion

The number of Japanese cuisine restaurants has been rising in recent years, especially in Asia. As Japanese cuisine becomes widely recognized all over the world, the export value of food products also shows an increasing trend year by year.

Amid such environment, they will supply products offered by their group companies to the entire Asia, mainly Singapore.



(Taken from the reference material of the company)

[4-4 Financial Strategy]

The target ROE in 2030 is 20% or higher. They will promote M&A utilizing financial leverage while maintaining financial soundness. ROE currently shows a rising trend owing to M&A of companies with high profit margins. In the medium-term management plan, they will strive for further elevation of profit by streamlining management and inducing synergy effects within the group in addition to utilizing the favorable procurement environment and continuing M&A based mainly on loans. They will work toward maintaining and elevating profit margin, withdrawing from unprofitable projects and revising the business portfolio as necessary.

[4-5 Shareholder Return]

Their basic policy for the five years until the fiscal year ending February 2030 lies in “increasing profit through M&A and organic growth and providing return on profit to shareholders by raising stock value.” Concretely, while they continue to allocate the cash generated by their business to investment in growth, primarily M&A, they will create fans among their shareholders by utilizing shareholder benefits. They will consider share buybacks and dividends depending on their growth stage.

*Gift system for shareholders

With the intention to express gratitude toward shareholders who hold shares in the medium/long term, they decided to enrich the gift system for shareholders, raising the benefit yield in addition to defining requirements for continuous shareholding in the fiscal year ending February 2026.

They will express their everyday gratitude by presenting gifts to shareholders who have kept holding 300 or more shares for a year or longer.



Please refer to the company's website for more details: <https://www.y-food-h.com/ir/stock/#>

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(Taken from the reference material of the company)

5. Interview with CEO Yoshimura

We interviewed with CEO Yoshimura regarding matters such as the overview of the financial results and the medium-term management plan, and asked him to give a message to shareholders and investors.

◎ Overview of Financial Results for FY 2/25 and Earnings Forecasts for FY 2/26

In the fiscal year ended February 2025, sales increased and profit significantly grew from the previous fiscal year.

Sales rose both in Japan and overseas, and sales and profit were boosted considerably by the price spike of scallops as well as the addition of YS Foods Co., Ltd. to our corporate group.

One of the reasons behind the price rise is a decline in the amounts of scallops supplied. While scallops are bred on farms according to plans in Japan, scallops are caught in the wild in other countries. There have been poor catches of wild-caught scallops due to global warming, and the volume of scallop landings is regulated tightly from the perspective of environmental conservation; therefore, the supply amount is decreasing slowly but surely.

Meanwhile, regarding demand, wealthy people not only in Europe and the United States, but also in Asia including China are demanding high-grade scallops. Scallops produced in Hokkaido are raised on farms but are superior in quality and large in size, and demand for such scallops is growing all around the world.

While China still suspends imports of Japanese marine products, they already have none in stock. I think that if China lifts the ban on import, Japanese scallops will be a major factor in raising their price because they are very competitive internationally.

We have forecast that sales will increase and profit will shrink in the fiscal year ending February 2026.

As I just mentioned, I believe that the price of scallops will go up because demand, which is the basis, is strong; however, the purchase price is also climbing and we need to take into account possible fluctuations in demand for the short term. Accordingly, we have issued a conservative forecast for profit.

◎ Merger of OHBUN CO., LTD and HOSOKAWA FOODS CO., LTD.

The merger between OHBUN CO., LTD. and HOSOKAWA FOODS CO., LTD. aims to establish a business management structure under which we can flexibly accommodate the rapidly changing market environment by integrating their business resources and enhancing our product appeal, production system, and operating base.

The factories of OHBUN in Ehime Prefecture and HOSOKAWA FOODS in Kagawa Prefecture, in particular, are located close to each other, which allows us to eliminate the manpower shortage, achieve a greater production efficiency, and cut down on cost by using them integrally.

In addition, we will pursue stable procurement of raw materials by sharing procurement channels, cost reduction by leveraging economies of scale, synergetic effects between the capability of product development with vegetables grown in Japan, which is the forte of HOSOKAWA FOODS, and the sales networks that OHBUN has built up throughout Japan.

◎ Release of a Medium-Term Management Plan

Our company released a medium-term management plan for the first time and has set targets of “115 billion yen for sales, 8 billion yen for operating income, and 12 billion yen for Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)” for the fiscal year ending February 2030.

Although some of our investors had requested our company to release medium-term management plans, we refrained from releasing them because our core strategy, which is M&A, involves counterparties.

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Summary of the Medium-Term Management Plan



Toward FY 2/30



(Taken from the reference material of the company)

Our capability relating to M&A, however, has been enhanced significantly in these few years.

Our company acquired MARUKICHI Co., Ltd. and YS Foods Co., Ltd. in the fiscal year ended February 2024, which were the biggest M&A projects in our history, and the number of companies introduced to us for M&A went up steadily to 540 in the fiscal year ended February 2025 from 400 in the fiscal year ended February 2024.

A system for accepting other companies has become ready for operation after many years of our company’s efforts to establish it while taking into consideration such perspectives as the stabilization of the business foundation, the enhancement of our teams, the cultivation of know-how necessary for judging whether or not to sign deals, and the improvement in our fundraising capabilities, and we are now capable of acquiring companies that are large in scale and have a high growth potential and a high profitability, which means that our company has entered a new phase heading toward rapid growth.

Because M&A projects involve counterparties, we may face delays of one or two years in completing some projects; however, our company is now in a position where transactions can be successfully executed once we decide to move forward, and I would like you to understand that we have become able to concretely envision the fiscal year 2030, which is five years away, and we have gained confidence in releasing a medium-term management plan.

◎ Growth Strategies Set Out in Medium-Term Management Plan

There is no considerable change in “M&A (roll-up strategy and niche strategy),” “organic growth,” and “business expansion to overseas markets,” which are set out as our growth strategies.

Growth Strategies

To strive for medium- to long-term growth based on two M&A strategies and two growth supporting policies.



(Taken from the reference material of the company)

Based on the successful cases of a number of projects that our company has carried out, the main targets of our M&A projects are companies that are small in scale, but operate in niche markets and have distinctive characteristics and high operating profit margins.

We will also focus on enhancing the capacity of such companies by investing capital for helping small- and medium-sized companies with such matters as large-scale automation of production lines and improvement of labor conditions, which are difficult for them to provide for by themselves.

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Furthermore, we are interested greatly in companies that engage in upstream processes in the food industry and companies that produce raw materials, which are companies that are indispensable in the relevant business areas.

Regarding the roll-up strategy, I have several ideas about other fields into which we can branch out following the field of scallops.

While I cannot talk about anything specific here, our company has already begun research and consideration in regard to stable business fields in Japan and overseas, which are different from scallops whose product value fluctuates significantly, from the perspective of business portfolio management. We would like to acquire one or two companies that can form the core by 2030.

While we originally hoped to start the establishment of Hokkaido Holdings (tentative name), which we regarded as one of the topics of the roll-up strategy, by the end of the fiscal year ended February 2025, we encountered a delay in the plan because the former representative director of MARUKICHI Co., Ltd. and that of YS Foods Co., Ltd. were indicted on suspicion of insider trading. The roll-up strategy involving Hokkaido Holdings is one of our key strategies, and we will devote ourselves to it once again.

With regard to the niche strategy, in parallel with M&A of companies that are small in scale but operate in niche markets and have distinctive characteristics and high operating profit margins, which I mentioned earlier, we will further refine and develop these companies into even more competitive and high-performing businesses.

Mori Yougyojou Co., Ltd., one of the typical examples of our niche strategy, is a pioneer in the field of land-based aquaculture of Ayu (sweetfish) and engages in operations ranging from incubation of whitebait to shipment of mature fish. It has gained a competitive edge by taking greater share in a niche market and prides itself on a high profit margin. In addition to upgrading and investment in water tanks, Mori Yougyojou added “canned oil-marinated small Ayu from Gifu,” in which small Ayu farmed by Mori Yougyojou is used, to the “K&K Kantsuma” series that are the products of KOKUBU GROUP CORP. and special canned appetizers that go with alcohol. Mori Yougyojou sold it through our group’s sales channels that Mori Yougyojou had not used, and its canned product sold very well. Under these circumstances, sales and operating income of Mori Yougyojou have grown about 1.6 times and about 1.8 times, respectively, in approximately six years after the company was added to our group.

Fukyo Food Co., Ltd., which was added to our group recently, has maintained the largest share for many years in the niche market of spring roll wrappers for industrial use. It produces high-quality wrappers that have crispiness and flavor, which any other companies cannot offer, based on its unique recipe passed on for generations since the foundation. Fukyo Food’s wrappers are used by many high-end Chinese restaurants.

Fukyo Food currently considers developing middle-class general commercial products in cooperation with KOKUBU GROUP. When the development is completed, Fukyo Food will strive to further boost sales and profit by selling newly developed products through new distribution channels that it did not have.

Concerning organic growth of the existing companies, we are endeavoring for these few years to reduce the number of items.

It is right to some extent to listen to customer requests and create patterns for each customer under the name of market-oriented management; however, looking around the world, I think that it has gone a little too far these days.

Utilization rate is currently high at every production base of our corporate group. If we strive to increase sales in such a situation, costs will soar because employees may have to work overtime and we may have to increase the number of workers. This means that the more products we produce, the less profit we will gain.

Our company, therefore, gives priority to securing profit even if it results in a sales decline. We began to see progress in this effort around the second half of the previous year, and I believe that we can deliver better results this fiscal year.

In regard to business expansion to overseas markets, as our company already has a sales network in Singapore, we would like to sell Japanese high-quality marine products, which are garnering great interest of local consumers, in Thailand and Malaysia via Singapore.

In addition to the “Kantsuma” products in which Ayu farmed by Mori Yougyojou is used as I mentioned earlier, our company is making steady progress in cooperation with KOKUBU GROUP.

Kobayashi Noodle Co., Ltd., which is located in Sapporo City, Hokkaido and engages in not only production and sale of fresh noodles (ramen), but also production of gyoza dumpling skins and sale of sauces and other seasonings, sells wholesale noodles to famous ramen restaurants in Sapporo City. In the spring of 2024, it developed a product designed for supermarkets. Because it is a product targeted at supermarkets, two servings of noodles, miso (soybean paste seasoning), and other seasonings are put in a package while each item is

individually wrapped, which looks easy but is actually very difficult because a special machine is required for individually packaging items. Raku-you Food Co., Ltd. that produces chilled steamed shumai dumplings owns an individual packaging machine, and we have Raku-you Food package Kobayashi Noodle's product. KOKUBU sells the finished product to various supermarkets. The product is well received by consumers, and the third version of it is now on sale.

The product was developed with the resources of our corporate group and is sold via our partner, KOKUBU. This is an ideal business model that we are looking for. We would like to further expand this approach.

◎ Message to Shareholders and Investors

I sincerely apologize for the trouble and concern that we have caused to a number of people regarding the indictment of the former representative directors of MARUKICHI and YS Foods, which are our company's subsidiaries, on suspicion of insider trading. We had to temporarily suspend our M&A activities, which are the core of our growth strategies, while the case was investigated, and consequently, we lost some business opportunities.

Concerning our financial results, we achieved a considerable increase in profit owing to the M&A projects that we carried out and the rising scallop price. We took almost all measures necessary to deal with the case by the end of March, and I would like you to expect that we will propel forward our business at our original operating speed and strive to attain our targets for 2030.

6. Conclusions

The company's first public announcement of a medium-term management plan reflects its confidence in successfully closing promising M&A deals. At the same time, CEO Yoshimura acknowledges that securing and strengthening human capital suited to the expanding group remains a critical challenge amid labor shortages. In this context, the merger between OHBUN CO.,LTD and HOSOKAWA FOODS CO., LTD. appears to be a positive example that addresses workforce challenges, particularly in factory operations. We will keep a close eye not only on the progress of M&A deals, but also on efforts to enhance human capital, including securing capable management personnel.

<Reference: Regarding Corporate Governance>

◎ Organization type, and the composition of directors and auditors

Organization type	Company with internal auditors
Directors	5 directors, of which 2 are external (Both are designated as independent executives)
Auditors	3 auditors, of which 3 are external (All three are designated as independent executives)

◎ Corporate Governance Report

The latest update: May 30, 2025

<Basic Policy>

Our company believes that our sustainable growth and creation of mid/long-term corporate value can be achieved especially through the trusting relationships and cooperation with our stakeholders, including shareholders, clients, business partners, employees, and local communities.

Accordingly, we consider that the most important mission in management is to keep tightening corporate governance as a base for securing the soundness, transparency, and efficiency of business administration. We will strive to secure the transparency and fairness of our company and timely disclose information to all stakeholders by streamlining the decision-making process, improving the supervisory function for business execution, strengthening the function to oversee directors, and developing an internal control system.

<Reason for not implementing the principles of the Corporate Governance Code (excerpt)>

Principle	Reason for not following the principle
(Supplementary Principle 5-2-1 Basic Policy on Business Portfolio)	We will strive to present our basic policy on business portfolios and the status of business portfolio reviews to our shareholders in an easy-to-understand manner after discussions at the meetings of the Board of Directors.

<Disclosure based on the principles of the Corporate Governance Code (excerpt)>

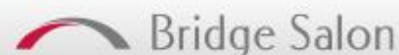
Principle	Disclosed information
(Principle 1-4 Strategically held shares)	For the purpose of maintaining and strengthening transaction relations, we hold shares strategically to a limited extent. In this case, we judge whether or not to invest, while comprehensively considering the benefits, risks, capital costs, etc. arising out of the maintenance and strengthening of transaction relations, and whether they would contribute to the increase in our corporate value. The board of directors examines economic rationality of individual strategically held shares every year, such as whether the benefits and risks arising out of strategic holding of each stock will recoup capital cost and whether it will increase our corporate value from the mid/long-term viewpoint. We try to reduce the number of shares we hold if we determine that the significance of holding of that stock is not sufficient. We exercise voting rights appropriately with the criteria considering whether it will lead to the increase in corporate value from the mid/long-term viewpoint or whether it will degrade the significance of shareholding. We will not agree with any proposals by the company or a shareholder that would degrade the share value.
(Supplementary Principle 2-4-1 Ensuring diversity in the appointment of core human resources, etc.)	Our company believes that ensuring and fostering diversity in human resources will lead to medium- to long-term improvements in corporate value, and we are committed to the fair recruitment and promotion of human resources, regardless of gender, age, or nationality, with an emphasis on ability and performance. The percentage of female workers in managerial positions was 17.9% as of the end of February 2025, and we are working to further support female workers in flourishing with the goal of increasing this

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	<p>percentage to over 30% by the fiscal year ending February 2036. With regard to non-Japanese core human resources, we have promoted non-Japanese nationals to managerial positions in our overseas subsidiaries. We will continue to promote diversity in Japan by considering appointment without distinction based on nationality. Furthermore, to enhance our medium- to long-term corporate value and achieve sustainable growth, we will establish a human resource system and an education and training system in order to realize appropriate staffing for the purpose of improving organizational strength and to build a system that will lead to the development of the next generation of human resources for the management of subsidiaries.</p>
(Supplementary Principle 3-1-3 Sustainability Initiatives)	<p>Under our mission of “Toward a society where we can enjoy this 'delicious taste' forever,” and guided by our corporate philosophy of “Protect and nurture regional 'delicious foods' and distribute them around the world,” we aim to help address the social challenges facing Japan through our business activities, enhance our medium/long-term corporate value, and contribute to the realization of a sustainable society. Our business model—acquiring companies facing challenges such as a lack of successors through M&A, incorporating them into our group, and revitalizing and growing them using our SME support platform—is a direct embodiment of ESG-focused management. We are committed to strengthening our sustainability initiatives moving forward, striving for even more sustainable management. For detailed information on our specific sustainability efforts, please refer to the “Sustainability Policy and Initiatives” section of our Annual Securities Report.</p> <p>With regard to investment in human capital, we operate under the value “Cherish individuality,” striving to secure diverse talent regardless of gender, age, or nationality. We believe that creating an environment where each employee can fully realize their potential will drive our medium/long-term corporate value and sustainable growth. To that end, we are actively working to strengthen our recruitment efforts, personnel systems, and talent development initiatives. Details on our human capital investments are also disclosed in the “Sustainability Policy and Initiatives” section of our Annual Securities Report.</p>
(Principle 5-1 Policy for promoting constructive dialogue with shareholders)	<p>In order to conduct constructive dialogue and communication with shareholders and investors, our company will develop a system with the business management headquarters in charge of IR. Regarding interviews with shareholders and investors, the business management headquarters discusses the best way to carry them out with the CEO, CFO, and chief of business management headquarters, etc., and conducts them up to a reasonable extent. In addition, our company holds quarterly briefing sessions on financial results, which are distributed in a video format. The opinions, etc. received in the dialogue with shareholders and investors are reported to directors and other executives as appropriate.</p>
[Initiatives to Achieve Management with a Focus on Capital Cost and Share Price]	<p>As of the end of the fiscal year ended February 2025, our PBR stood at 2.13, exceeding the weighted average of 1.5 for the food industry in the Prime Market at the time, and our ROE was 18.8%. We continue to strive for management that prioritizes capital cost and share price while working to enhance profitability to achieve our ROE target of 20%, as outlined in the medium-term management plan announced on April 14, 2025.</p>

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