

# Annual Securities Report

(Report Pursuant to Article 24, Paragraph 1 of the Financial Instruments and Exchange Act)

Business year (FY2024)	From April 1, 2024, through March 31, 2025
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Oisix ra daichi Inc.

1-11-2 Osaki, Shinagawa-ku, Tokyo

(E27260)

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# Annual Securities Report

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1. This document has been prepared for printing or other output by adding a table of contents and page numbers to the digital version of the Annual Securities Report pursuant to Article 24, Paragraph 1 of the Financial Instruments and Exchange Act submitted via the Electronic Disclosure for Investors Network (EDINET) system, as specified in Article 27-30-2 of that Act.
2. The Audit Report attached to the Annual Securities Report submitted as described above, as well as the Internal Controls Report and Confirmation Letter submitted with the above Annual Securities Report, are attached to the end of this document.

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Audit Report

Internal Controls Report

## Cover sheet

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Business year:	FY2024 (from April 1, 2024, through March 31, 2025)
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## Part 1. Company information

### Section 1. Company overview

#### 1. Trends in major KPI

##### (1) Consolidated KPI

Term		FY2020	FY2021	FY2022	FY2023	FY2024
Fiscal year-end		March 2021	March 2022	March 2023	March 2024	March 2025
Net sales	(million yen)	100,061	113,476	115,176	148,408	256,009
Ordinary profit	(million yen)	7,037	4,153	2,810	4,420	6,561
Profit attributable to owners of parent	(million yen)	5,031	2,727	1,807	4,108	3,638
Comprehensive income	(million yen)	4,901	2,968	2,319	3,378	3,680
Total net assets	(million yen)	19,991	23,872	26,140	37,401	39,487
Total assets	(million yen)	38,360	52,634	64,502	143,709	134,564
Net assets per share	(yen)	522.62	605.63	672.84	794.83	874.72
Earnings per share	(yen)	133.75	74.64	49.45	112.38	103.13
Diluted earnings per share	(yen)	133.52	74.60	—	—	—
Equity ratio	(%)	49.8	42.0	38.1	20.2	22.6
Return on equity	(%)	30.4	13.2	7.7	15.3	12.2
Price/earnings	(times)	21.7	40.4	46.5	11.6	13.0
Net cash provided by (used in) operating activities	(million yen)	8,819	924	5,306	7,722	3,496
Net cash provided by (used in) investing activities	(million yen)	(2,780)	(4,110)	(12,135)	(10,815)	(12,451)
Net cash provided by (used in) financing activities	(million yen)	1,894	636	8,265	17,735	(1,551)
Cash and cash equivalents at end of period	(million yen)	15,552	13,033	14,720	29,440	18,955
Number of employees [Average number of temporary employees, not included above]	(persons)	915 [723]	986 [799]	1,032 [859]	11,456 [29,061]	11,818 [31,533]

Note:

1. Diluted earnings per share is not given for FY2022, FY2023, and FY2024 because there were no dilutive shares.

## (2) KPI of the reporting company

Term		FY2020	FY2021	FY2022	FY2023	FY2024
Fiscal year-end		March 2021	March 2022	March 2023	March 2024	March 2025
Net sales	(million yen)	90,349	101,541	102,821	104,580	100,297
Ordinary profit	(million yen)	7,397	4,036	4,230	5,802	5,745
Profit	(million yen)	4,563	2,544	2,605	5,737	3,578
Share capital	(million yen)	3,993	3,994	3,995	3,995	3,995
Total shares outstanding	(share)	37,998,908	38,014,892	38,028,092	38,028,092	38,028,092
Total net assets	(million yen)	19,271	21,821	24,558	30,367	31,607
Total assets	(million yen)	35,350	48,623	61,722	80,739	72,815
Net assets per share	(yen)	527.56	597.12	671.75	830.67	910.01
Dividends per share [Interim dividends per share]	(yen)	— [—]	— [—]	— [—]	— [—]	— [—]
Earnings per share	(yen)	121.33	69.64	71.27	156.93	101.43
Diluted earnings per share	(yen)	121.12	69.60	—	—	—
Shareholders' equity ratio	(%)	54.5	44.9	39.8	37.6	43.4
Return on equity	(%)	27.0	12.4	11.2	20.9	11.5
Price/earnings	(times)	24.0	43.3	32.2	8.3	13.2
Payout ratio	(%)	—	—	—	—	—
Number of employees [Average number of temporary employees, not included above]	(persons)	724 [693]	785 [759]	787 [829]	794 [872]	800 [912]
Total shareholder return [For comparison: TOPIX index]	(%) (%)	196.8 [139.3]	203.6 [138.7]	155.2 [142.8]	88.0 [197.3]	90.6 [189.5]
Max. share price	(yen)	4,020	5,220	3,370	3,035	1,710
Min. share price	(yen)	1,388	2,224	1,411	1,093	1,052

## Notes:

1. Diluted earnings per share is not given for FY2022, FY2023, and FY2024 because there were no dilutive shares.
2. Maximum and minimum share prices for FY2020 and later are taken from the First Section of the Tokyo Stock Exchange before April 4, 2022, and from the Tokyo Stock Exchange Prime Market thereafter.  
Effective April 9, 2020, listing of Company shares transferred from the Tokyo Stock Exchange Mothers Market to the First Section of the Tokyo Stock Exchange. Share prices before this date is from the Tokyo Stock Exchange Mothers Market.

## 2. History

Month/year	Event
June 2000	Oisix Inc. established
September 2000	Food Quality Audit Committee, an independent panel of academic experts and homemakers, established to audit food safety
October 2000	Food delivery services begin through Oisix e-commerce site
July 2001	Food delivery services through dairy products vendors and other partners begin
June 2002	Oisix Club subscription service launched in e-commerce business
December 2009	Entered international business segment with grand opening of Oisix Hong Kong
June 2010	Agreements on capital alliance and joint venture concluded with Recruit Corp. (now Recruit Holdings Corp.)
November 2010	First brick-and-mortar store opens inside Ebisu Mitsukoshi Department Store in Shibuya Ward, Tokyo
January 2011	Gochimaru Inc., a joint venture with Recruit Corp. (now Recruit Holdings Corp.), begins operating
November 2011	Wellness Co., Ltd. made wholly owned subsidiary through stock acquisition
April 2012	Absorbed Wellness Co., Ltd.
March 2013	Listed on Tokyo Stock Exchange Mothers Market
August 2013	Capital and business alliance agreements concluded with Dean & DeLuca Japan (now WELCOME Co., Ltd.)
October 2015	Oisix Hong Kong Co., Ltd. established as overseas subsidiary to oversee certain cross-border e-commerce functions in Hong Kong
May 2016	Acquired Tokushimaru Inc., which provides franchise mobile supermarket systems serving seniors, made subsidiary
March 2017	Daichi wo Mamoru Kai Co., Ltd., a distributor of fruits, vegetables, meat, and seafood and additive-free processed food products, made subsidiary through stock swap
April 2017	Nihon Agri, Inc., an exporter of agricultural products from Japan, made an affiliate
July 2017	Renamed Oisix.Daichi Inc.
September 2017	Oisix Shanghai Co., Ltd. established to pursue e-commerce sales of products procured in China
October 2017	Absorbed Daichi wo Mamoru Kai Co., Ltd.
February 2018	Radish Boya Co., Ltd., a distributor of fruits, vegetables, meat, and seafood and additive-free processed food products, made subsidiary
June 2018	Karabiner Inc., which provides system development and maintenance services, made subsidiary
June 2018	Launch of ISETAN DOOR, an e-commerce business subscription deliveries operated by Isetan Mitsukoshi Holdings Ltd. with operational support from the Company
July 2018	Renamed Oisix ra daichi Inc.
August 2018	Crazy Kitchen Co., Ltd., which provides catering services to order, made subsidiary
October 2018	Absorbed Radish Boya Co., Ltd.
December 2018	Oisix Inc. (US) established as overseas subsidiary in preparation for entering the US market
February 2019	WELCOME Co., Ltd., which operates Dean & DeLuca, made an affiliate via capital increase underwritten through third-party allocation of shares
May 2019	Three Limes, Inc. (Purple Carrot), which makes regular deliveries of vegan meal kits in the US, made subsidiary
August 2019	Future Food Fund Inc. established to launch efforts to build a startup ecosystem in the food field
October 2019	Future Food Fund No. 1 investment limited partnership established to stimulate investment in food startups
April 2020	Listing of shares transferred to the First Section of the Tokyo Stock Exchange
March 2021	Toyosu Gyosho Sanchoku Ichiba Co., Ltd. (formerly Seven Work Co., Ltd.), which oversees the supply and wholesaling of seafood products, made subsidiary
January 2022	Future Food Lab Co., Ltd. established to undertake food-related research and development
April 2022	Listing of shares transferred to the Tokyo Stock Exchange Prime Market

Month/year	Event
October 2022	SHIDAX CORPORATION, whose businesses include food service at nursery schools, hospitals, and other facilities, made an affiliate
January 2023	Future Food Fund No. 2 investment limited partnership established
March 2023	AGRIGATE, operator of Shunpachi, made an affiliate via capital increase underwritten through third-party allocation of shares
November 2023	Capital alliance and sponsorship agreements concluded with Niigata Albirex Baseball Club, Oisix Niigata Albirex Baseball Club launched
January 2024	SHIDAX CORPORATION made subsidiary nonpi, Inc., which plans and operates kitchen-less company cafeterias, made subsidiary
March 2024	AGRIGATE made subsidiary
May 2024	Oisikur Inc., a joint venture with KURKKU FIELDS Co., Ltd., established and made subsidiary
July 2024	HiOLI Inc., which develops sustainable sweets and sustainable sweets brands, made subsidiary



### 3. Business details

The Group (the Company and its affiliates) consists of the Company and its 37 consolidated subsidiaries (Tokushimaru Inc., Three Limes, Inc. (Purple Carrot), Future Food Fund Inc., Toyosu Gyosho Sanchoku Ichiba Co., Ltd., nonpi, Inc., AGRIGATE, SHIDAX CORPORATION, SHiDAX CONTRACT FOOD SERVICE CORPORATION, SHiDAX FOOD SERVICE CORPORATION, SLOGIX CORPORATION, DAISHINTO Inc., SHiDAX DAISHINTO HUMAN SERVICE Inc., HiOLI Inc., and other subsidiaries) and four affiliates (Nihon Agri, Inc., WELCOME Co., Ltd., Niigata Albirex Baseball Club Co., Ltd., and others).

The Company and its consolidated subsidiaries and affiliates are grouped into the five reportable segments: BtoC Subscription Business; BtoB Subscription Business; Social Services Business; Vehicle Operation Services Business; and Other Businesses.

The Company has identified the following as its corporate philosophy and reason for existing: *to provide services that enable better culinary lives for more people*. Its approach to business accounts for taste, convenience, and safety in the foods it delivers.

#### (1) BtoC Subscription Business

The BtoC Subscription Business offers a home delivery service for premium food products—such as fresh fruits and vegetables, processed food items, and environmentally friendly meal kits - in response to customer orders placed via our website and catalogs. These products are delivered in accordance with the Group's unique cultivation and production standards.

In Japan, we primarily sell food and ingredients directly through online platforms and catalogs under three brands: Oisix, Daichi wo Mamoru-kai, and Radish Boya. Oisix provides premium, time-saving products, and services, primarily targeting dual-income families with children. This year marks the 50th anniversary of Daichi wo Mamoru-kai (Association for the Protection of the Earth). Guided by the concept of "completely natural, purely domestic," we are dedicated to enhancing our services by emphasizing domestic and organic ingredients. Radish Boya develops innovative products and services, such as "Fuzoroi Radish" - a selection of non-standard vegetables and related items designed to achieve zero food waste - targeting households that wish to contribute to society and support local producers through everyday activities like cooking.

Internationally, we operate the Purple Carrot brand in the United States. Purple Carrot caters primarily to consumers seeking a healthy lifestyle through plant-based diets while offering convenient, time-saving products and services.

#### (2) BtoB Subscription Business

We provide comprehensive food services - including management solutions - to companies, government offices, nursery schools, and other facilities. In addition, we offer contracted meal services to hospital patients and residents of elderly care facilities, and we supply food ingredients to the restaurant industry. Our BtoB Subscription Business encompasses medical food services (primarily for hospitals and elderly care facilities), contract food services (mainly for office cafeterias), and Sukusuku Oisix, our wholesale food business for nurseries. We are dedicated to delivering tailored meals and services that address the diverse needs of our customers.

#### (3) Social Services Business

This segment manages and operates facilities for local governments, including school meal services, after-school clubs, children's centers, libraries, and community centers located in highway service areas. In addition, it provides various outsourcing services to private companies.

#### (4) Vehicle Operation Services Business

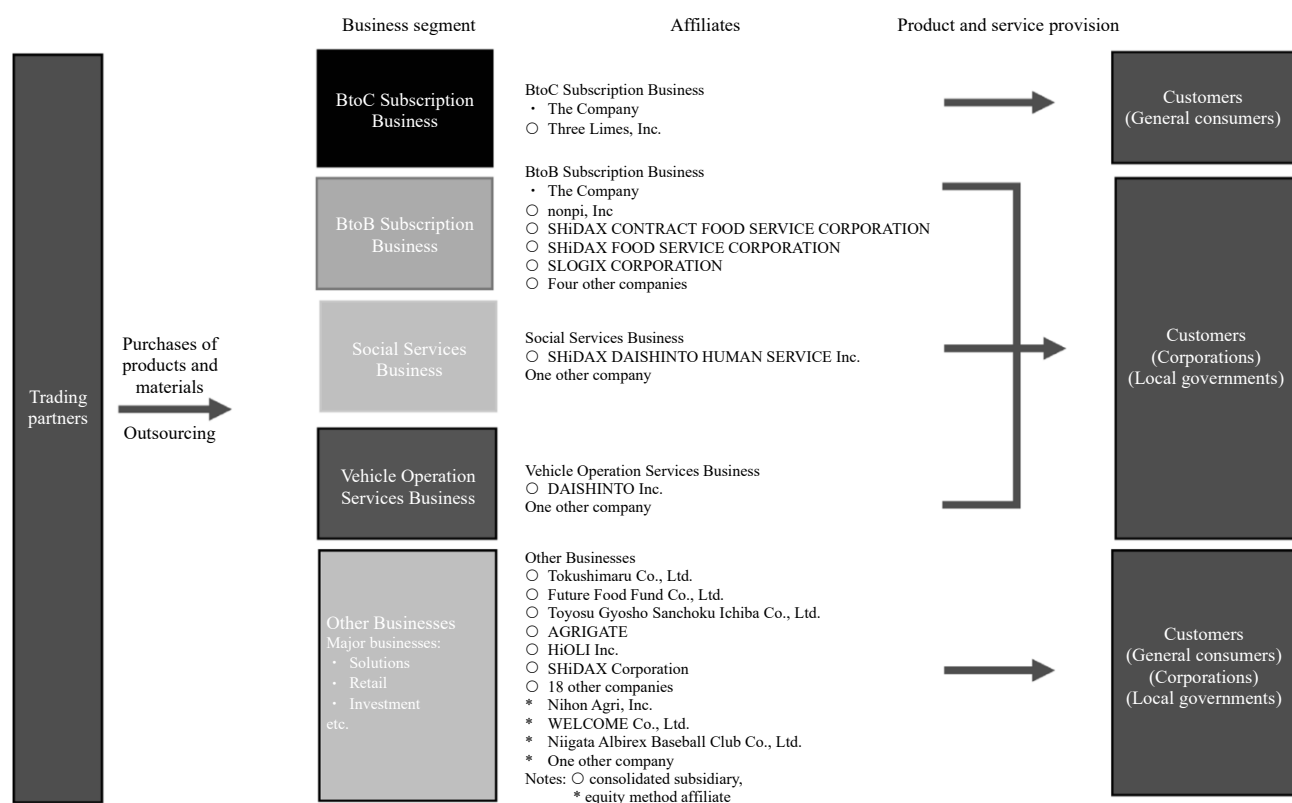
This segment offers contracted vehicle operation and management services, as well as maintenance and inspection services, to both private companies and local governments.

#### (5) Other Businesses

This segment includes an e-commerce support business for other companies, mobile supermarket services, and an investment business.

The above businesses are diagrammed below.

## Business diagram



#### 4. Status of affiliates

Name	Address	Capital or investment stake (million yen)	Main lines of business	Voting rights held (%)	Relationship
(Consolidated subsidiaries) Three Limes, Inc. (The Purple Carrot) (Notes 1, 2)	Massachusetts, USA	USD16 million	Vegan ingredients delivery in the U.S.	100 (100)	Concurrent posting of officers
Future Food Fund Co., Ltd.	Shinagawa-ku, Tokyo	15	Investment management	100	Concurrent posting of officers Outsourcing
Tokushimaru Co., Ltd.	Tokushima, Tokushima Prefecture	10	Mobile supermarket business	90	Concurrent posting of officers Outsourcing
SHIDAX CORPORATION (Notes 1, 2)	Chofu, Tokyo	100	Management instructions for business subsidiaries and performance of their outsourced indirect operations	66 (66)	Concurrent posting of officers Business transactions
SHiDAX CONTRACT FOOD SERVICE CORPORATION (Note 2)	Chofu, Tokyo	100	Outsourced food provision/management services at company/school cafeterias, etc.	66 (66)	Concurrent posting of officers
SHiDAX FOOD SERVICE CORPORATION (Note 2)	Chofu, Tokyo	100	Outsourced food provision services for hospitals, elderly facilities, nursery schools, etc.	66 (66)	Concurrent posting of officers
SLOGIX CORPORATION (Note 2)	Chofu, Tokyo	90	Sale of food ingredients and consumables for use by the food service industry	66 (66)	Concurrent posting of officers Business transactions
DAISHINTO Inc. (Notes 1, 2)	Chofu, Tokyo	100	Outsourced vehicle operations/management for private companies and local governments	66 (66)	—
SHiDAX DAISHINTO HUMAN SERVICE Inc. (Note 2)	Chofu, Tokyo	100	Outsourced facility operations/management for private companies and local governments, food services primarily for elementary/secondary schools	66 (66)	—
HiOLI Inc. (Note 2)	Setagaya-ku, Tokyo	10	Manufacture and sale of ice cream products, confectionery, etc.	58 (2)	Concurrent posting of officers
AGRIGATE	Shinagawa-ku, Tokyo	10	Production and sale of agricultural produce and foodstuffs	54	Concurrent posting of officers Business transactions
nonpi, Inc.	Chiyoda-ku, Tokyo	50	Restaurant management, operation of company cafeteria without kitchen	52	Concurrent posting of officers Business transactions
Toyosu Gyosho Sanchoku Ichiba Co., Ltd.	Ota-ku, Tokyo	40	Purchase and wholesaling of seafood products	51	Concurrent posting of officers Business transactions
24 other companies	—	—	—	—	—
(Equity method affiliates)					
Nihon Agri, Inc.	Shinagawa-ku, Tokyo	100	Export of agricultural products from Japan	34	Concurrent posting of officers
WELCOME Co., Ltd.	Meguro-ku, Tokyo	50	Lifestyle businesses centered on retail and food service	26	Concurrent posting of officers
Niigata Albirex Baseball Club Co., Ltd.	Niigata, Niigata Prefecture	100	Professional baseball team operation	34	Concurrent posting of officers Business transactions
One other company	—	—	—	—	—

#### Notes:

- Qualifies as a specified subsidiary. The following companies included under Other Businesses qualify as specified subsidiaries: Oisix Hong Kong Co., Ltd., Oisix Inc., Future Food Fund No. 1 Investment Limited Partnership, Future Food Fund No. 2 Investment Limited Partnership, SHiDAX HOLDINGS CORPORATION
- Percentages of voting rights in parentheses are those held indirectly. These voting rights are included in the total percentages of voting rights held.

3. Information on the main profit, loss, and other accounts for consolidated subsidiaries whose net sales (not including internal sales among consolidated companies) account for more than 10% of consolidated net sales is shown below.

(million yen)

Company	Net sales	Ordinary income (loss)	Net income (loss)	Net assets	Total assets
SHiDAX FOOD SERVICE CORPORATION	33,022	(175)	(122)	162	5,539
DAISHINTO Inc.	27,423	2,160	1,339	11,885	15,730
SHiDAX DAISHINTO HUMAN SERVICE Inc.	52,394	1,769	1,057	7,643	13,912

## 5. Employees

### (1) Consolidated companies

As of March 31, 2025

Segment	Employees (persons)	
BtoC Subscription Business	744	(888)
BtoB Subscription Business	2,543	(6,783)
Social Services Business	4,141	(22,112)
Vehicle Operation Services Business	3,963	(1,515)
Other Businesses	427	(235)
Total	11,818	(31,533)

Notes:

1. Number of employees indicate numbers working within the Group (including those seconded to the Group from outside employers but excluding those seconded from the Group to outside employers).
2. Numbers in parentheses under Employees are not included in the number of employees, indicating annual average number of irregular employees (including part-time and temporary employees but excluding dispatched and other employees).

### (2) Reporting company

As of March 31, 2025

Employees (persons)	Average age (years)	Average years of service (years)	Average annual salary (thousand yen)
800 (912)	41.5	10.3	6,696

Segment	Employees (persons)	
BtoC Subscription Business	678	(887)
BtoB Subscription Business	25	(6)
Other Businesses	97	(19)
Total	800	(912)

Notes:

1. Number of employees indicate numbers working within the Company (including those seconded to the Company from outside employers but excluding those seconded from the Company to outside employers).
2. Numbers in parentheses under Employees are not included in the number of employees, indicating annual average number of irregular employees (including part-time and temporary employees but excluding dispatched and other employees).
3. Average annual salary includes bonuses and wages other than base wages.

### (3) Labor unions

The SHiDAX Labor Union, a member of UA ZENSEN, has been organized at SHIDAX CORPORATION and some of its subsidiaries. Labor-management relations are stable.

#### (4) Diversity

In all its activities, the Group proceeds with respect for the dignity, human rights, and individuality of all its workers. It adopts an outlook of respect for diversity and prohibits unfair treatment based on nationality, race, gender, sexuality, or other attributes. Bringing together diverse human resources and exchanging diverse ideas leads to a broader range of solutions and thereby leads to business growth that will make it possible to provide food services to an ever broader range of customers. Based on this idea, the Company has established the Diversity, Equity, and Inclusion Committee to contribute to business growth by enhancing information communication and related initiatives. As its businesses grow in scale, nationals of 23 countries are working at shipping and other facilities (as of March 31, 2025). In addition to promoting the employment of people with disabilities, it sponsors parasports, encourages employee involvement in the management of parasports organizations, and operates a subcommittee that considers the interests and needs of those with disabilities and promotes exchange initiatives. Other efforts to promote diversity and inclusion include sexual minority training, centered on HR personnel, and employee group activities undertaken by interested party allies.

Women as a percentage of the reporting company's employees and managers are presented below.

	Employees (*1)	Managers (*2)
Reporting company	50.7%	21.8%

\*1 Calculated based on permanent full-time employees, including contracted employees.

\*2 Calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). Figures for managers are calculated based on those in posts equivalent to section manager or above.

The Group will respond to current needs by developing environments in which human resources who grow and contribute to results can be evaluated fairly and are provided opportunities for further success. Given that already 30.8% of officers are women, the Group is seeking to achieve a percentage of women at 30.0% of its managerial positions by 2030 through further enhancements in efforts to provide equal opportunities to employees.

Women as a percentage of the employees and managers of major Group companies are presented below.

	Employees (*1)	Managers (*2)
SHIDAX CORPORATION	39.1%	12.5%
SHiDAX CONTRACT FOOD SERVICE CORPORATION	52.9%	18.2%
SHiDAX FOOD SERVICE CORPORATION	73.9%	13.3%
DAISHINTO Inc.	4.3%	0.0%
SHiDAX DAISHINTO HUMAN SERVICE Inc.	75.8%	16.1%

\*1 Calculated based on permanent full-time employees. Includes contracted employees.

\*2 Calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). Figures for other Group companies are omitted because their disclosure is not specified under the above Act. Figures for managers are calculated based on managers in posts equivalent to section manager or above.

The percentage of men taking childcare leave and similar programs and male-female wage disparities at the reporting company are presented below.

	Percentage taking childcare leave (*1)	Male-female wage disparities (*2)		
		All workers	Permanent full-time employees	Other than permanent full-time employees
Reporting company	100%	64.5%	69.2%	84.2%

\*1 Calculated as the total percentage taking childcare leave and other leave for childcare purposes under Article 71-6, Paragraph 2 of the Enforcement Regulations to the Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave (Ministry of Labour Directive No. 25 of 1991) under the provisions of the Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave (Act No. 76 of 1991).

\*2 Average annual wages for permanent short-time employees and part-time workers are calculated based on the number of those employees adjusted by the designated working hours of permanent full-time employees (eight hours/day).

Male workers at the Company have long taken childcare leave at rates above the national average. Nevertheless, targeting a 100% rate of childcare leave taken, the Company adopted a unique program in October 2022 under which employees can take up to five days of paid time off when a spouse gives birth. In FY2024, thanks to careful explanations provided to employees and other measures, all male employees at the reporting company eligible to take leave because their spouses planned to give birth took such leave. Our goal is to achieve a target of 100% in FY2025.

While the male-female wage disparity, at 64.5%, is high for all workers, this is due to the number of non-permanent full-time employees at the Company's shipping facilities and the high rate of female workers among them, at just under 40%. During the fiscal year under review, the wage disparity for workers other than permanent full-time employees improved from the previous year by 1.7%.

The percentage of men taking childcare leave and similar programs and male-female wage disparities at major Group companies are presented below.

	Percentage taking childcare leave (*1)	Male-female wage disparities (*2)		
		All workers	Permanent full-time employees	Other than permanent full-time employees
SHIDAX CORPORATION	—	53.5%	53.9%	72.2%
SHiDAX CONTRACT FOOD SERVICE CORPORATION	0.0%	43.6%	77.6%	57.3%
SHiDAX FOOD SERVICE CORPORATION	40.0%	66.6%	78.8%	65.2%
DAISHINTO Inc.	16.7%	68.6%	57.8%	75.3%
SHiDAX DAISHINTO HUMAN SERVICE Inc.	33.3%	77.0%	82.2%	81.6%

\*1 Calculated as the total percentage of those taking childcare leave and other leave for childcare purposes under Article 71-6, Paragraph 2 of the Enforcement Regulations to the Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave (Ministry of Labour Directive No. 25 of 1991) under the provisions of the Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave (Act No. 76 of 1991). Figures for SHIDAX CORPORATION and other Group companies are omitted because their disclosure is not specified under the above Act.

\*2 Average annual wages for permanent short-time employees and part-time workers are calculated based on the number of those employees without converting to the designated working hours of permanent full-time employees (eight hours/day). Figures for other Group companies are omitted because their disclosure is not specified under the Act on Promotion of Women's Participation and Advancement in the Workplace (Act No. 64 of 2015).

Disparities among permanent full-time employees within the reporting company are presented below.

Employees	Year ended March 2025	Supplemental information
Senior management Senior specialists	111.6%	Grades M7–5 and S7–5
Management Specialists	88.1%	Grades M4–1 and S4–1
Other employees	89.3%	Grades I3–1 and E5–1

\* Calculations exclude eligible people exceeding 150% of the median for each grade due to factors such as special conditions at the time of hiring (2.0% of total).

Comparisons of wage disparities at three levels based on the Company’s job grades show disparities of 111.6% for senior management and senior specialists; 88.1% for management and specialists; and 89.3% for other employees. The Company is seeking to create opportunities for workers whose skills growth warrants assignment to management positions, regardless of gender. In doing so, to rectify disparities, we have revised the corresponding grade salary levels. The goal is to achieve, a target of 100% by the year ending March 2030 by focusing on wage disparities at each level.

The percentage of employees with disabilities at the reporting company is presented below.

	Rate
Reporting company	3.1%

The statutory rate for acceptance of workers with disabilities is 3.1%, up 0.3 pts. from the previous year. The Company achieved the more rigorous 2.7% national standard scheduled to take effect in July 2026 ahead of schedule. The employee retention rate has improved. Voluntary mentoring activities for interested parties implemented as part of the activities of the Diversity, Equity, and Inclusion Committee have received a positive reception, reducing the number of employees who left the office.

Mid-career hires at the reporting company as a percentage of all hires are presented below. (Year ended March 2025 results)

	Employees *
Reporting company	87.2%

\* While the Company hires new graduates, it has sought to strengthen in-house skills and diversity by securing a number of highly skilled, diverse human resources to serve as immediate assets in engineering and other posts.



## Section 2. Business Overview

### 1. Management policies, business environment, topics to address

Forward-looking statements found in the text represent the Group's judgments as of the end of the consolidated fiscal year under review.

#### (1) Management policies

Our Group's corporate philosophy, "Farm for Tomorrow, Table for Tomorrow" centers on creating and expanding the future of food. We achieve this by: providing services that enable better culinary lives for more people, creating systems where good farmers are rewarded and take pride in their work, realizing a sustainable society by building frameworks that continuously link farm and table, and taking business approaches to resolve social issues related to food.

Based on this corporate philosophy, while increasing its social value, the Group will strive to grow its corporate and shareholder value through business growth and enhanced earning capabilities centered on the BtoC Subscription Business in addition to expansion of its business domains to achieve discontinuous growth.

#### (2) Business environment

The BtoC Subscription Business and the BtoB Subscription Business, the Group's primary businesses, focus on the food field.

Steady market growth is expected for the business environment of the food delivery market, in which the BtoC Subscription Business operates. Nevertheless, the Company's share of the Japanese food delivery market is estimated to be in the single digits. The Company believes significant room remains for growth in the domestic market. The business's assets include a direct procurement network that connects it to contracted producers who produce high value-added products and its product and service development skills capable of meeting customer needs through Kit Oisix meal kits and other original products. The Company believes it has created high barriers to entry in the specialty and subscription domains of the Japanese food delivery market. For further growth, it is important to enhance the development of products and services that meet increasingly diverse consumer needs in the food field, as seen in the growing need for time-saving solutions for dual-income households, growing health awareness, and growing awareness of social issues.

In the BtoB Subscription Business, the food provider service market in Japan is large and stable, valued at approximately 5 trillion yen. At the same time, marked trends have emerged toward declining business performance and bankruptcies among companies in this market. Contributing factors include the continuing rise in the cost of food ingredients, rising minimum wages, and chronic labor shortages. The Company plans to grow this business through efforts to improve profitability by establishing a "time-efficient food service model" to cut meal prep times and by cutting ingredients and labor costs. Expertise and assets built up in the BtoC Subscription Business will contribute to the growth of the food provider service business.

#### (3) Management strategies

Considering the business environment described above, while assigning top priority to efforts to grow its main BtoC Subscription Business and enhance its earning capabilities, the Group will focus on the BtoB Subscription Business, whose business scale has expanded significantly following the combination with SHiDAX CORPORATION. The Group will also seek to enhance business alliances to achieve discontinuous business growth and steadily and swiftly expand its business domains into international food delivery, retail and wholesale businesses, and other domains.

#### (Growing and enhancing the earnings capabilities of the BtoC Subscription Business)

Efforts to achieve business growth in the BtoC Subscription Business will focus on services offered by the core Oisix business, including premium meals that most consumers cannot prepare on their own; time-saving products and services targeting those without the time or energy to prepare food; and premium time-saving kits that meet the needs of those seeking both. In addition to Kit Oisix meal kits, which deliver recipes along with ingredients, including all the seasonings needed, this business will establish services for 50,000 or more subscribers in specific segments. These services include Deli Oisix, which seeks to meet the growing need for time-saving solutions as dual-income households are increasing, and the Baby & Kids Course for households with infants. To enhance profitability, this business will take various measures to cut product and logistics costs, both of which offer considerable

potential for savings. In particular, to cut product costs, it will improve efficiency by expanding the proportion of manufacturing and processing work done in-house and increasing the share of sales accounted for by in-house products; and promote measures to make effective use of ingredients previously considered inedible.

(Growing and enhancing the earnings capabilities of the BtoB Subscription Business)

Efforts to achieve business growth in the BtoB Subscription Business focus on expanding the number of new contracted facilities and business expansion achieved through mergers and acquisitions activities. In a bid to add to the current number of contracted facilities, this business is promoting sales activities by concentrating resources on priority domains, such as elderly facilities, company cafeterias, and nursery schools. Beyond business expansion, its M&A activities seek further diversification and differentiation of products and services through cooperation with Group companies to provide new high value-added services.

To enhance profitability, it will apply meal kits development expertise cultivated in the BtoC Subscription Business to food provider meal kits, working with other businesses to reduce labor requirements while achieving high added value in a manner best suited for each business type. It will also maintain consistent, reliable supply chains resistant to market fluctuations by tapping the direct procurement network of contracted producers established in the BtoC Subscription Business.

#### (4) Priority business topics

The Group recognizes the following as priority business topics:

(Enhancing value proposals for customer food needs)

The accelerating diversification of lifestyles and values, including the growing need for time-saving solutions for increasing two-worker households, growing awareness of health issues, and growing interest in the social implications of consumption is generating demand for products and services that can be provided rapidly and meet specific needs. This, in turn, requires the rapid identification of these needs and stronger awareness of the various social issues facing individual customers.

The Group recognizes the need to enhance new value proposals related to food, including unique products and experiences available only through its services.

(Structural profitability enhancements in the food provider service business)

Under pressures generated by labor shortages and the rising cost of wages and ingredients, leading to concerns about declining food quality, the food provider service market in Japan is trending toward declining business performance and even bankruptcies. In response, the Company will seek to build and introduce a "time-efficient food service model" that balances labor savings with high added value. It will do so by deploying to the food provider service business the expertise accumulated in its BtoC Subscription Business. Through active M&A activities, it will also strive to reach the top tier of the food provider service business.

(Boosting efforts to establish a sustainable food future)

Considering various emerging social issues that affect food, including increasing global greenhouse gas emissions, lower crop productivity due to climate change, and growing volumes of food waste, the Group recognizes the need to strengthen efforts to find solutions and achieve a sustainable food future. Related efforts will involve food tech and other technologies.

The services offered by the BtoC Subscription Business propose original subscription boxes based on proprietary data analysis to match variable farm harvest conditions to product needs that differ from customer to customer. This helps reduce food waste both at the farm and on the table. The Group will strive to improve the accuracy of related data.

In the area of production, the Group invests in startups with proprietary agri-tech expertise through the subsidiary Future Food Fund. It is striving to improve the management and production efficiency of Japanese agriculture, including the producers with which it trades. The Kit Oisix meal kits sold by the Company use non-standard produce in their cut vegetables and are provided in kits that contain only the necessary amounts of ingredients to reduce food waste at home. These meal kits help reduce food waste both at the farm and on the table.

The Group will enhance efforts to move closer to a sustainable food future through further business model improvements and food technology.

#### (5) Objective KPI for assessing progress toward management targets

The Group focuses on net sales, EBITDA (operating profit + depreciation + amortization of goodwill), net income per share, and the rate of growth in each KPI to assess progress toward the goals of the above management strategies. It also monitors growth and profitability indicators for both BtoB and BtoC Subscription Businesses, net sales, and the EBITDA margin, in addition to other KPI, such as the number of Oisix subscribers (BtoC Subscription Business) and the number of contracted facilities (BtoB Subscription Business).

## 2. Sustainability concepts and initiatives

The Group's perspective and initiatives regarding sustainability are detailed below. The forward-looking statements presented herein are based on the Group's assessments as of the close of the consolidated fiscal year under review.

The Group strives to realize a sustainable society and achieve growth by finding solutions to food challenges under its corporate philosophy, "Farm for Tomorrow, Table for Tomorrow." The Group acts through its various brands and businesses, including Oisix, Radish Boya, and Daichi wo Mamoru Kai in the BtoC Subscription Business, and subsidiaries SHiDAX, Tokushimaru, and Purple Carrot.

The business model for the Group's mainstay BtoC Subscription Business is to build sustainability across the supply chain by connecting producers directly with consumers. The sustainability of this system is achieved through subscription boxes, which operate through proprietary algorithms that match accumulated data on customer preferences with the growing conditions of crops, which depend on weather patterns. This allows customers to continue purchasing the products they enjoy and the Group to present a product lineup that reflects actual growing conditions on farms, making it possible for us to promote both efficient consumption of crops and customer satisfaction. The Group is seeking to establish a sustainable society by involving even more stakeholders through the deployment of the BtoB Subscription Business of systems first established in the BtoC Subscription Business.

The Group is simultaneously aware of both its responsibility to solve social issues and its unique potential to contribute to realizing solutions. By growing its businesses, it will deliver an increasingly wide-ranging food lineup while helping society move closer to sustainability.

Given its current business environment, the Group has identified the following three domains as posing important sustainability issues regarding creating social and economic value and establishing a sustainable society.

1. Responding to environmental issues and climate change
2. Improving the internal environment and developing human resources to strengthen human capital
3. Community building

See the Company's Sustainability website (<https://en.oisixradaichi.co.jp/sustainability/>) for more information on the Group's sustainability concepts and individual initiatives.

### (1) Governance and risk management related to overall sustainability

The Group is strengthening its sustainability promotion structure to strengthen corporate value from a sustainability perspective. Under this structure, President and Representative Director Kohey Takashima has ultimate responsibility for management decisions on sustainability topics, while the Board of Directors and the Management Committee have the responsibility for and authority over overseeing risks and opportunities related to overall sustainability.

The Risk Management Committee plays a vital role in implementing risk management related to sustainability within the Group. As an organization under the direct oversight of the President, the Risk Management Committee consists of a chairman, members representing individual sections, and a secretariat. This committee meets monthly to share risk case studies, discuss responses to risks across multiple sections, and hear activity reports from individual members. The Risk Management Committee submits a quarterly report to the Corporate Officers Committee, which discusses individual risks and approves related matters.

The Group recognizes that its responses to sustainability issues are key management topics that involve not just risk reduction but potential revenue opportunities. It will address these issues actively and dynamically to raise corporate value over the medium to long term.

### (2) Key sustainability topics

Through the governance and risk management process outlined above, the Group has identified the following three important

sustainability topics. Other topics are described under “3. Business Risks.”

1. Responding to environmental issues and climate change
2. Improving the internal environment and developing human resources to strengthen human capital
3. Community building

## 1. Responding to environmental issues and climate change

### (1) Basic policy and examples of initiatives

As described in the Climate Change Scenario Analysis Summary below, the Company aims for business growth by identifying solutions to society’s challenges, particularly those related to food, by analyzing climate change scenarios, ascertaining the impacts of climate change risk and opportunities, and incorporating the findings into business management.

(Climate change scenario analysis summary)

The Group performed a scenario analysis based on TCFD recommendations to identify risks and opportunities under different climate change scenarios.

We examined the impact of climate change as of 2030 in terms of risks and opportunities under two scenarios: a 1.5°C increase (1.5°C scenario) and a 4°C increase (4°C scenario) in temperature from pre-industrial levels in 2100. To this end, we first identified specific risks and opportunities with representatives from each department, selecting those that would have the greatest impact on the Group and our entire value chain. For each risk and opportunity selected, we performed assessments using qualitative and quantitative methods to ascertain the extent of the financial impact.

## 1. Responding to climate change: Disclosures based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)

- Impact assessment based on scenario analysis (financial impact assessment)

Main assumed scenarios

Scenarios	Main referenced scenarios
1.5°C scenario	SSP1-1.9 Scenario (IPCC, 2023) Net Zero Emissions by 2050 Scenario (IEA, 2022)
4°C scenario	SSP5-8.5 Scenario (IPCC, 2023) Stated Policy Scenario (STEPS) (IEA, 2022)

a. Selected risks and impact as of 2030

Assumed financial impact (Large: over 2 billion yen; Medium: 0.1 billion to 2 billion yen; Small: under 0.1 billion yen)

(Transition risk)

	Category	Time horizon	Area of financial impact	Potential business impact	Extent of impact	
					1.5°C	4°C
Policies and laws	Introduction of carbon taxes	Medium to long term	Costs	<ul style="list-style-type: none"> <li>- Rising costs of agricultural, fisheries, livestock, consumables, and other raw materials and purchases</li> <li>- Energy costs for factories and logistics/delivery will increase.</li> <li>- Need to upgrade vehicle fleets and revise costs associated with Company emissions</li> </ul>	Large	Small
	Tightening of plastic regulations and laws	Medium to long term	Costs	- Stricter plastic regulations will necessitate the development and introduction of alternative packaging materials, which will increase costs.	Medium	Small
	More stringent GHG emissions regulations	Medium term	Costs/ assets	- Rising burden of conversion costs and other expenses related to upgrading vehicle and delivery fleets to EVs	Large	Small
	Introduction/ tightening of other environmental regulations	Short term	Costs/ assets	- Capital investments will rise due to the need to comply with stricter environmental regulations. The cost of complying with food safety standards and other regulations will increase as they are revised.	Medium	Small
Industries/markets	Changes in attitude to environment among consumers	Medium to long term	Revenue	- Insufficient disclosure of environmental initiatives and non-financial information will weaken consumer support and reduce revenue due to weakening brand strength and loss of customers.	Large	Small
	Changes in energy supply and demand	Medium term	Costs	<ul style="list-style-type: none"> <li>- The cost of procuring energy from fossil fuels will increase, as will the cost of producing ingredients and other purchased goods. The cost of deliveries made using gasoline-powered vehicles (current vehicles) will also rise.</li> <li>- A rise in demand for renewable energy procurement will increase the cost of renewable energy and the operating costs of equipment switched to be compatible with renewable energy.</li> </ul>	Small	Small
	Changes in reputation among investors	Medium to long term	Capital	- Insufficient disclosure of climate change initiatives and non-financial information will harm the corporate reputation among investors.	Small	Small
Technologies	Production innovations in agriculture and fisheries	Medium to long term	Costs/ assets	- Cost burdens will rise as the agriculture and fisheries industries introduce state-of-the-art equipment to transition to smart agriculture and other decarbonization models.	Large	Small
	Innovations in logistics and delivery	Medium term	Costs/ assets	- Cost burdens will rise as electric vehicles replace conventional delivery vehicles.	Large	Small

## (Physical risk)

	Category	Time horizon	Area of financial impact	Potential business impact	Extent of impact	
					1.5°C	4°C
Acute	Increase in severity of extreme weather events	Short to long term	Costs	<ul style="list-style-type: none"> <li>- Torrential rains and typhoons will cause flood damage in production areas, disrupting logistics networks and making product procurement impossible.</li> <li>- Lower sales due to operational stoppages and rising repair costs for vehicle damage due to typhoons and other natural disasters</li> <li>- Stoppages in business activities due to flooding or other damage to business sites</li> </ul>	Large	Large
Chronic	Impact on procurement and supply systems	Long term	Costs/ revenue	<ul style="list-style-type: none"> <li>- Yield reductions attributable directly or indirectly to climate change will make it difficult to procure required quantities.</li> <li>- Adjusting for the supply/demand balance will become difficult and increases in shortages and waste disposal will become a concern.</li> <li>- Elevated temperatures will reduce farming efficiency and harvest yields.</li> </ul>	Small	Large
	Impact on quality	Long term	Costs/ revenue	<ul style="list-style-type: none"> <li>- Ensuring the quality set by the Group will become difficult.</li> <li>- Ensuring quality, especially for frozen foods, when delivering to customers, will become difficult.</li> <li>- Rising risks of heatstroke, food poisoning, and other hazards; lower sales due to damage to reputation in such events</li> </ul>	Small	Large
	Impact on cost structures	Long term	Costs	<ul style="list-style-type: none"> <li>- The cost of purchasing ingredients and materials will grow.</li> <li>- Cost burdens will rise due to shortages of human resources, operable equipment, etc.</li> </ul>	Small	Large
	Changes in overall food needs among consumers	Long term	Revenue	<ul style="list-style-type: none"> <li>- The burden of adapting to climate change in the lives consumers will increase, and food expenditures themselves will decline.</li> </ul>	Medium	Large

\* The extent of the impact is stated to the extent that it can be calculated based on information available as of the end of the most recent fiscal year.

\* Quantitative assessments assume that the scale of our business operations will continue to expand through 2030, as it did in FY2024.

b. Responses to risks based on scenario analysis and opportunities arising from the responses.

Category	Responses	Opportunities
Introduction of carbon taxes	- Achievement of carbon neutrality	- Costs can be reduced by proactively conserving energy. - Carbon tax burdens will be reduced by achieving carbon neutrality.
Tightening of plastic regulations	- Further greening of product packaging	- Differentiation can be pursued by introducing new packaging materials made from plastic alternatives, ahead of others.
Introduction/tightening of other environmental regulations	- Strengthening of food safety standards - Curtailment of specified CFC emissions	- Our superiority can be emphasized following the introduction of stricter carbon footprint disclosure regulations, and financial benefits from subsidies introduced for other environmentally friendly measures can be obtained.
Changes in attitude to environment among consumers	- Promotion of sales of upcycled products - Further greening of product packaging	- Building and improving relationships with customers by accurately responding to their growing environmental orientation and needs will not just strengthen the brand and relationships with existing customers but will help attract new customers and enhance loyalty among existing customers.
Changes in energy supply and demand	- Power savings - Introduction of renewable energy for electricity at offices and all logistics sites	- Cost burdens can be reduced through green delivery, early deployment of energy-saving equipment, etc.
Production innovations in agriculture and fisheries	- Strengthening sustainability across the supply chain	- The market for new foods can be stimulated by promoting the use and development of food tech, including the production of food ingredients with low environmental impact. - Differentiation can be pursued by establishing innovative production and stable supply systems encompassing frozen foods, processing, and edible technologies, ahead of others.
Innovations in logistics and delivery	- Revisions in packaging materials - Delivery by energy efficient vehicles and consideration of use of EVs for deliveries	- Cutting costs by adopting materials to enable highly efficient deliveries - Choosing means of delivery less susceptible to the effects of climate change and taking the initiative in developing a logistics and delivery system that offers greater convenience for customers

Category	Responses	Opportunities
Increase in severity of extreme weather	<ul style="list-style-type: none"> <li>- Strengthening sustainability across the entire supply chain</li> <li>- Expansion of high-quality supply</li> <li>- Improved profitability through low-cost operations and sharing of marketing know-how</li> </ul>	<ul style="list-style-type: none"> <li>- A diverse geographic portfolio of production areas will ensure a stable supply of products, even if localized harvests falter.</li> <li>- Rising demand for emergency communication services for after-school clubs.</li> </ul>
Impact on procurement and supply systems		<ul style="list-style-type: none"> <li>- Traceability data can be effectively applied to make fine adjustments with respect to supply and demand conditions and ensure a stable supply.</li> <li>- If harvesting possibilities will expand both in Japan and overseas, the establishment of cultivation and production methods that ensure stable production will be encouraged.</li> </ul>
Impact on quality		<ul style="list-style-type: none"> <li>- New appeal points can be established by increasing opportunities for using ingredients that do not meet previous retail distribution standards (i.e., B-grade products) and by persuading customers to appreciate the value of such ingredients.</li> </ul>
Changes in overall food needs among consumers		<ul style="list-style-type: none"> <li>- The need for foods that prevent heat stroke and can be stockpiled will rise.</li> <li>- The need for food delivery itself will rise due to the increasing difficulty of going out.</li> </ul>

The following are some of the specific initiatives undertaken to deliver solutions to society's challenges in light of the risks described in the above scenario analysis and the opportunities they generate, particularly those related to reducing food waste and plastics, satisfying consumer health needs, and sustainability across the supply chain.

#### ◆ Reducing food waste

##### 1. Upstream: Efforts to reduce food waste at producers and manufacturers

(Results for year ended March 2025)

Reductions in FY2024	Economic value of reductions in FY2024
525,783 kg	Approx. 430 million yen

(Cumulative results in FY2022 through FY2024)

Three-year cumulative reductions	Economic value of three-year cumulative reductions
1,515,161 kg	Approx. 1,239 million yen

\* Food waste purchase price 818 yen/kg (reference: 2017 survey by the City of Kyoto [<http://www.sukkiri-kyoto.com/data>])

##### (i) Fuzoroi Radish ("irregular radishes")

This initiative seeks to reduce food waste while supporting producers by selling a wide range of produce of nonstandard shapes and sizes that would be considered unacceptable under usual retail practices. The goal is to pass along the abundance of nature to future generations.

##### (ii) Upcycle by Oisix

This brand identifies solutions to food waste by developing and selling new upgraded products that add value to ingredients that have traditionally been discarded.

##### (iii) Sale of unused food products

This initiative seeks to reduce food waste by selling produce and seafood previously disposed of during the distribution process, including nonstandard products and surplus produce resulting from extreme weather events due to climate change and unused portions of fruits and vegetables.



## 2. Midstream: Efforts to reduce food waste generated in the distribution process

### (i) Supply-demand matching

The Group keeps food waste in the distribution process to a low level of about 0.2%, lower than the food retail industry benchmark, by applying proprietary algorithms to match accumulated data on customer preferences with the growing conditions of crops, which depend on the weather. It has also adopted AI in its demand forecasting system, to improve rates of short product supplies and inventory turnover by learning from information in areas such as customer behavior, buying data, recipes, and sales promotion data to enable ordering at optimal volumes.

### (ii) Operational improvements (Food Rescue Center)

In addition to standard produce, the Group takes a flexible approach to processing non-standard ingredients, which it uses in meal kits and processed foods. The results make it possible to purchase produce proactively and to procure large volumes of ingredients when harvests are strong for use in processed products.

## 3. Downstream: Efforts to reduce household and institutional food waste

### “Kit Oisix” meal kits

These kits reduce food waste to one-third of previous levels by delivering only the ingredients needed for meal preparation.

## ◆ Reducing use of plastic in product materials

The Group has cut plastic use by about one-half (compared to the year ended March 2022) by modifying product packaging and wrapping methods.

### 1. Promoting a switch to recycled and eco-friendly materials

The cardboard boxes used by Oisix in customer deliveries are made of 100% recycled paper. In addition, the use of biomass materials in Kit Oisix outer bagging helps reduce the use of plastics derived from petroleum.

### 2. Reducing needless use of plastic

Oisix strives to reduce its use of plastic cushioning materials used at the top of the product by introducing cardboard boxes whose heights are adjustable to fit the volume contained. Radish Boya is making steady progress on reducing the use of plastic packaging through optimization efforts (i.e., using thinner and lighter packaging).

## ◆ Satisfying consumer health needs

As consumers grow increasingly health-conscious, the Group is selling products to meet this need. Examples include produce grown with fewer pesticides and chemical fertilizers, products with fewer chemical flavorings and other additives, plant-based products, and healthcare kit products that achieve balanced nutrition.

## ◆ Sustainability across the supply chain

Described below are specific initiatives to improve sustainability across the supply chain:

### 1. Fair trade

This initiative strives toward trade at fair and appropriate prices while avoiding harm to the environment of counterparties.

### 2. Agricultural produce

The Group also offers agricultural produce cultivated by methods that reduce environmental impact, such as biochar.

### 3. Seafood

The Group has established the “Sasaeru Unagi Fund” to protect and recover eel resources. This fund donates to preserve dietary culture and improve the environment. It also seeks to enhance sustainable products such as MSC/ASC-certified seafood and processed food.

### 4. Meat

The Group partners with producers to establish livestock management techniques that account for animal welfare. Efforts to improve sustainability include the sale of rare Japanese shorthorn beef and eggs from non-caged chickens fed with domestic feed.

## (2) Indicators and targets

In 2020, the Group established its Green Shift measures to contribute to decarbonization and address associated risks and opportunities. Green shift measures seek to reduce greenhouse gas emissions through business activities.

### ◆ Company-wide targets for reducing greenhouse gas emissions (vs. March 2022)

	Item	Target for March 2030	Details
1	Scopes 1 and 2	Continuing reductions of 50% or more vs. March 2022	- Power conservation - Promoting adoption of renewable energy at offices and all logistics facilities
2	Scope 3	Increasing number of suppliers achieving active reductions	- Promoting greening agricultural production, including biochar - Greening of product packaging - Reducing food waste - Promoting recycling food residue

### ◆ Trends in greenhouse gas emissions

Emissions: total CO<sub>2</sub> emissions [t-CO<sub>2</sub>e]

Intensity: total CO<sub>2</sub> emissions intensity (per sales) [t-CO<sub>2</sub>e/million yen]

Item	Year ended March 2023		Year ended March 2024		Year ended March 2025	
	Emissions	Emissions intensity	Emissions	Emissions intensity	Emissions	Emissions intensity
Scope 1 (*1)	1,224	—	1,131	—	16,296	—
Scope 2 (*2)	45	—	43	—	1,063	—
Total Company emissions (Scopes 1 and 2)	1,269	0.01	1,174	0.01	17,359	0.01
Scope 3 (*3)	281,278	—	302,831	—	384,377	—
Total supply chain emissions (Scopes 1, 2, and 3)	282,547	2.45	304,005	2.60	401,735	2.31

\*1: Direct GHG emissions from the business itself (from burning fuel, industrial processes, etc.)

\*2: Indirect emissions associated with the use of electricity, heat, and steam supplied by other companies

\*3: Indirect emissions other than those included in Scope 1 and Scope 2 (emissions from other companies related to the business' activities)

\* Calculation methods: Emissions calculated based on the GHG Protocol

\* The financial control level at the start of calculations was used as a standard to determine boundaries in GHG calculations. The scope of calculation was set to include Oisix ra daichi and Group companies (SHIDAX CORPORATION and its subsidiaries, Three Limes, Inc., Fruit Basket, and Tokushimaru).

\* GHG emissions increased in comparison with the previous consolidated fiscal year in FY2024 due to the addition of SHIDAX CORPORATION and its subsidiaries to the scope of calculation.

## 2. Improving the internal environment and developing human resources to strengthen human capital

### <Basic policy on human resource strategies>

In addition to supporting employees in autonomous and ambitious efforts to identify solutions, the Group values internal discussion and strives to build open workplaces in which each employee can work with a sense of vitality.

In the area of solutions in particular, the Group focuses on internal training for logical thinking. This program not only enables participants to apply what they learn but also develops them into instructors capable of teaching these skills to others.

### <Governance>

Since 2015, to link management strategies to human resource strategies, Director Hiroyuki Ozaki has served concurrently as the executive officer responsible for the HR section, overseeing activities from strategy formulation through execution. Important strategic matters are proposed or reported to the Board of Directors and reflect the opinions of Outside Directors where appropriate.

### <Strategies>

Our Group's corporate philosophy, "Farm for Tomorrow, Table for Tomorrow," guides our efforts to realize a sustainable society by taking business approaches to resolve social issues related to food, which requires increasing our internal human resources while welcoming in from outside the organization others with high capabilities.

The Company promotes the following three strategies in line with its vision: Create a place (company) where people can learn, grow, and work with a sense of vitality.

1. Alongside efforts to pursue diversity and comfortable work from an employee perspective, fostering a culture of satisfying, rewarding work through the dissemination and internalization of the ORDism code of conduct
  2. Training and securing the human resources needed to execute the medium-term business portfolio strategy
  3. Developing active human resources to support autonomous employee career development and expand growth opportunities
1. Alongside efforts to pursue diversity and comfortable work from an employee perspective, fostering a culture of satisfying, rewarding work through the dissemination and internalization of the ORDism code of conduct

(Disseminating and generating support for the management philosophy)

We carry out a wide range of initiatives to help disseminate and generate understanding of our group's corporate philosophy, "Farm for Tomorrow, Table for Tomorrow." These include internal communications—for example, touching on the philosophy in video messages from the Representative to the whole Company—as well as opportunities to hear from producers and customers individually to impart a deeper sense of the meaning of our work and visits to production sites to experience agricultural work. These efforts help disseminate and build support for the management philosophy and the ORDism code of conduct.

Efforts to ensure the widespread dissemination of the ORDism code of conduct and to realize the management philosophy include awards presented to teams and individuals who have put the code into practice in video messages and at quarterly general meetings of employees, as well as examples of the code embodied into practices using video messages in addition to comments on the awards from the Representative, to help communicate ORDism.

(Internal environment improvements)

Efforts in style include workstyle support for employees returning from parental leave. Other improvements to create an environment in which employees can maintain and improve their performance, even for post-COVID hybrid workstyles, include the adoption of group addresses, the introduction of web conferencing booths, and an increase in the number of spaces for concentrating on work. The Company will continue to make progress on developing comfortable working environments while considering specific employee circumstances and backgrounds through improvements made at the head office and other facilities and workspace reforms at the head office reflecting hiring activities.

2. Training and securing the human resources needed to execute the medium-term business portfolio strategy  
(HR development)

In the area of HR development, the Company is developing effective training programs to generate individual and team results while incorporating on-the-job training for successor human resources to allow employees to apply what they learn in training. Learning lessons from issues that emerged during the relocation of a logistics facility in 2022, the Company holds annual activities, including lectures and workshops, in which all employees are required to participate. In the consolidated fiscal year under review, it held a lecture on “Thinking and Behavior That are Prone to Failure,” in addition to workshops for reviewing one’s own duties and considering practical measures. These are opportunities for personal growth involving implementing countermeasures and taking on various challenges that will lead to business growth.

To train successor human resources in important sections, the state of candidates for training is assessed through growth support meetings between Directors and individual sections. Based on the findings, solutions are considered in terms of *will*, *skill*, and *Syuraba*; practical training plans are formulated, and measures to support growth both on and off-the-job are executed and managed appropriately. As off-the-job opportunities, management programs, logical thinking programs, and self-learning programs for job-specific skills are provided.

3. Developing active human resources to support autonomous employee career development and expand growth opportunities  
(Support for autonomous career development)

The Company’s unique self-career examination program was designed under the guidance of Prof. Emeritus Hanada of Keio University, a Company Outside Director. It has been introduced since January 2022. Starting in FY2023, it is provided by internal career consultants as a program in which employees of all ages can participate once every five years.

- i. Number of career seminars held and participants (15 seminars with 122 participants in FY2024)
- ii. Number of participants in career interviews (120 participants in FY2024)

Age-specific career seminars are held in a workshop format, followed by individual interviews. By raising awareness of career autonomy, this helps improve employee engagement and contributes to companywide earnings by allowing employees to work on new business opportunities and new services, with a specific vision for advancing employee careers on an individual level.

(Engagement surveys)

The Company uses engagement surveys for fixed-point observations of its working conditions to develop highly enthusiastic human resources through the strictly systematic WILL training program. The Company’s approach seeks to achieve a state in which team organizational issues can be identified and resolved through quantitative, regular visualization of the states of individual and team engagement.

- i. Engagement survey results (Wevox [Atrac, Inc.], year ended March 2025; average score 68)

<Risk management>

Risks related to human capital are managed through the activities of the Risk Management Committee.

See “(1) Governance and risk management related to overall sustainability” regarding the activities of the Risk Management Committee.

<Other indicators>

See the Sustainability Page on the Group website.

### 3. Community building

#### (1) Basic policy and examples of initiatives

##### 1. Leisure-time creation

###### *Product development*

Oisix, the main brand in the BtoC Subscription Business, offers the Kit Oisix series of meal kits that combine the recipes and ingredients needed to prepare a main and side dish set in 20 minutes. Kit Oisix meal kits deliver value through time savings in addition to delicious, complete meals and free consumers from the hassles of shopping and the need to think of a menu, helping to free more time in their busy lives.

This service is developing a wide-ranging product lineup in response to changing lifestyles, including the growing number of households in which both spouses work and, post-COVID, less time is spent home. Examples include the April 2024 introduction of Deli Oisix, a service that provides deli-style meals that only require heating-up, minimizing meal prep times.

##### 2. Responding to the labor shortage

###### *"time-efficient food service model"*

Given the nationwide shortage of childcare workers, to support the development of environments in which childcare facilities can interact more directly with children while reducing labor requirements, these meal kits for facility meal services are based on pre-processed ingredients, significantly reducing the time required to prepare handmade meals.

These food provider meal kits represent a new meal type for nursery schools' food services, developed through leveraging Oisix's expertise in food service for nursery schools. The benefits include cutting meal prep times by up to 50% and total ingredient and labor costs by up to 22%, reducing staff workloads and freeing up even more time for dining assistance and nutritional education.

###### *Comprehensive administrative services under contract*

To achieve less costly and more sophisticated suites of administrative services drawing on the expertise of the private sector, this solution aims at large-scale promotion of operational efficiency improvements under comprehensive contracts for multiple functions from local governments facing lower tax revenues and shortages of personnel to operate services due to low birth rates and aging and shrinking populations.

By streamlining staffing through operational analysis, centralization, and multitasking, with the Company outsourcing some services to external firms while managing them comprehensively, this solution supports the realization of always-available administrative services to support local communities facing limited resources.

##### 3. Social infrastructure development

###### *Tokushimaru*

Due to the progressive aging of the nation's population, Japan is increasingly facing the social challenges of food deserts and limited access to shopping.

In response, Tokushimaru uses mini trucks to operate mobile supermarkets that stop in front of consumers' houses for in-person shopping experiences that offer the joy of shopping through looking, touching, feeling, and choosing from the merchandise. The number of mobile supermarkets operating in prefectures across Japan is currently about 1,200 vehicles. They are becoming an increasingly important presence as a part of the shopping infrastructure for each locale.

Tokushimaru also concludes patrol agreements with local governments (such as prefectures, municipalities, and wards) around the country to facilitate cooperation with social welfare councils, regional comprehensive support centers, care managers, district welfare commissioners, and others in providing continuous patrol services while doing business. These help to support safety and peace of mind especially in rural communities where the aging of the population is quite advanced.

###### *WeSupport Family*

This food support project for impoverished households, centered on single-parent homes, is operated by the Company in cooperation with RCF and COCONET Inc. It provides food support to households in need by matching supporting businesses that donate foods with various organizations that aid impoverished households, delivering the food through their food pantries and other activities. As of May 2025, it delivered food monthly to approximately 30,000 households, centered on the greater Tokyo area, with donations of about 1.6 billion yen in materials.

### *Community Buses*

In response to the growing issue of areas underserved by public transport due to discontinued bus services and other factors, Community Buses use private sector expertise to support regional public transport as the rides of the community.

As a supporting pillar of community transport infrastructure, this program proposes and helps realize new, sustainable transport infrastructure even in the face of decreasing demand for public transport due to depopulation.

### 3. Business and other risks

Outlined below are some risks related to the business conditions, accounting conditions, and other matters described in the Annual Securities Report that may significantly impact investor decisions.

The forward-looking statements presented herein are based on the Group's assessments as of the close of the date of submitting the Report.

#### (1) Risks related to business strategy

Risks	Details and impacts on the Group	Responses
Business models, competitive environment	<p>In the BtoC Subscription Business, amid growing environmental and health orientations among customers, the Group makes it easier to obtain high-value-added products such as organic and other specially cultivated produce and processed foods, with an approach that emphasizes safety, through highly convenient services based on e-commerce.</p> <p>It regards online supermarkets and food delivery by regional consumer cooperatives and other retail outlets, as well as the delivery of frozen ready-to-eat meals and similar services, as businesses closely related to the e-commerce food market. This poses the risk that a tightening focus of related businesses on the sale of food products may lead to more intense competition in the food segment of the e-commerce market.</p> <p>The BtoB Subscription Business handles food services and management for company cafeterias, public offices, schools, nursery schools, and other facilities, as well as inpatient food services at hospitals and food services at elderly care facilities under contract.</p> <p>Competition among major players in the food service industry has intensified in recent years. Price competition may lead to lower contract prices.</p> <p>The Vehicle Operation Services Business handles vehicle operations and management outsourced by private sector companies and local governments. The Social Services Business provides food services for kindergartens and elementary and middle schools under contract to local governments; manages and operates after-school clubs, libraries, children's centers, and other facilities; and provides diverse services outsourced by private sector companies.</p> <p>Demand for highly efficient business operations has intensified as progressively lower birth rates and an aging population lead to lower tax revenue for local governments and pressure to cut costs is growing at private sector firms.</p> <p>One risk is that the Group's business and business performance may be affected if it were unable to adapt appropriately to such an environment.</p>	<p>The Group expects continuing growth, driven by the growing environmental and health orientation of customers, in both e-commerce food markets and markets for the high value-added foods offered by the Company. In addition, it believes that the business environment will provide numerous opportunities because of factors such as increasing use of alliances in the food service business and accelerating outsourcing of services from the public to the private sector.</p> <p>The Company will strive to differentiate itself from the competition by proposing new value, such as unique products and experiences that can be enjoyed only from its services, as it quickly ascertains potential needs in response to the differing challenges facing individual customers and swiftly deploys products and services to meet them.</p>

Risks	Details and impacts on the Group	Responses
Accidents	<p>In the BtoC Subscription Business and the BtoB Subscription Business, the Group provides food ingredients and meal services. One risk is that issues such as food poisoning, contamination, or food-allergy incidents rooted in the Group's sanitation management or other responsibilities may lead to consequences such as temporary suspension of operations at production facilities or liability for compensation for damages.</p> <p>In the Vehicle Operation Services Business, the Group manages vehicle operation services under contract to clients. One risk is that a serious traffic accident or other incident may result in liability for compensation for damages.</p> <p>In the Social Services Business, the Group operates and manages public facilities under contract. One risk is that a serious accident or other incident in facility operations may generate liabilities to provide compensation for damages or orders from the local government or other agency with jurisdiction to suspend business operations.</p> <p>Another potential risk is that any such incident may damage trust in and the reputation of the Group and impact on the Group's businesses and business performance as a result.</p>	<p>To prevent any serious incidents, the Group strives to comply with laws and regulations on safety as well as the Group's own internal regulations, standards, manuals, and other rules. It also carries out regular internal auditing to ascertain the state of business operations.</p>



(2) Risks related to climate change

Risks	Details and impacts on the Group	Responses
Large-scale storm and flood damage	Since the Group handles products from primary industries such as agriculture, fisheries, and livestock, there is a risk that its businesses and business performance may be impacted by issues such as shortages and lower quality due to storm or flood damage in producing regions, such as the effects of large-scale typhoons or torrential downpours. Another risk is that such large-scale storm or flood damage may affect product distribution or logistics, impede shipments or deliveries and thereby affecting the Group's businesses and business performance.	By engaging in transactions with producers across Japan and by maintaining the capacity to procure key products from multiple producing regions in principle, the Group has adopted a structure under which it can supply products from other producing regions if inclement weather in a specific region results in poor harvests or lower quality products in that region.
Reducing greenhouse gas emissions and food waste	Amid global efforts to restrict greenhouse gas emissions and reduce food waste, delays in the Group's response may damage trust in and the societal standing of the Group.  Another risk involves the potential effects of increasingly common extreme weather events associated with climate change on the supply of agricultural produce and other products.	In 2020, the Group introduced its Green Shift strategy, whereby it promotes reductions in greenhouse gas emissions across the entire supply chain, including farms, processing plants, and logistics facilities, and last-mile deliveries.  The Group is also pursuing measures to reduce food waste. These efforts include making active use of nonstandard produce and boosting household food waste reduction efforts by boosting sales of meal kits.

(3) Supply chain risks

Risks	Details and impacts on the Group	Responses
Raw material quality	Group products may provide false or misleading information concerning the quality or use of agricultural chemicals due to mislabeling by producers.  In addition, a consensus on the safety of radioactive contamination of foods has yet to be reached within society, and the Group may prove unable to immediately adapt to future laws or regulations concerning such matters.  In such cases, the Group's business and business performance may be affected by damage to brand image, loss of trust, or other factors resulting from potential administrative guidance or sanctions issued or claims or demands for compensation from customers.	Although specific quality requirements differ based on the added value pursued and customers targeted, the Group's major brands have established their own standards addressing product handling. They deliver vegetables, seafood, and meats for which production areas can be identified, through direct purchase from producers. To the extent possible, produce is grown without the use of pesticides or chemical fertilizers, while processed food products are made using as few additives as possible. It also carries out on-site inspections and residual pesticide testing for agricultural products. For processed foods and other products, the company has established its own testing systems, utilizing external experts and third-party organizations. Furthermore, it strives to secure objective and rational quality and safety, including providing guidance on hygiene management to supplier manufacturers. The Group also promotes training and educational activities for its employees, such as conducting quality assurance training for new hires upon their entry into the company.

Risks	Details and impacts on the Group	Responses
Concentration on logistics facilities	<p>The Group operates its own logistics centers, where distribution processes such as product inspections, storage, sorting, and packing are centralized. Products are shipped to customers from the following logistics facilities: those in the cities of Ebina and Atsugi, Kanagawa Prefecture, for e-commerce brands; the logistics center in Narashino, Chiba Prefecture for Daichi wo Mamoru Kai; and four facilities nationwide for the Radish Boya brand.</p> <p>There are risks of loss of inventory, delayed shipments, service interruptions, or other occurrences that could impact the Group's businesses and business performance in cases such as the inability to use these logistics centers due to natural disasters, fires, or other incidents or resulting effects on employee attendance.</p>	The Group plans to continue shipments to customers to the extent possible in the event of an emergency by adjusting delivery operations to use those of the seven facilities nationwide that remain operable.
Transaction relations with Yamato Transport in logistics operations	In Oisix, which accounts for more than 50% of the net sales of the Group's main segment, the BtoC Subscription Business, products are delivered to customers via Yamato Transport. The Group's business and business performance may be affected by factors such as significant increase in shipping charges or reduction in business relationships with the Yamato Transport in light of the recent situation in the logistics industry.	The Group strives to maintain positive relations with the Yamato Group through activities such as joint projects not just for last-mile delivery, but procurement logistics.
Governance throughout the supply chain	<p>The Group pursues business in cooperation with numerous partners in processes ranging from procurement through logistics and last-mile delivery. The Group's business and business performance may be affected by compliance violations such as increases in on-the-job accidents due to working environments, violations of human rights, or concealment of improprieties at any point along this supply chain.</p>	Through close communication and cooperation with suppliers in its supply chain, the Group works to monitor security systems and identify risks and to avoid and mitigate such risks. It also strives to avoid risks through insurance and disclaimers or cancellation provisions in contracts.

(4) Information about security risks

Risks	Details and impacts on the Group	Responses
System failure	<p>The Group's food delivery business operations depend in large part on business management computer systems for operations ranging from website administration through the receipt and placement of orders, purchasing, inventory, shipping, and sales. The Group's businesses and business performance may be affected in the event of failures or other issues affecting Group computer systems due to factors such as greater than expected volumes of orders received or other sudden increase in access or infection by computer viruses, deliberate action of sabotage, or bugs in related applications.</p>	In its business management systems, the Group employs backup systems and data and other redundancy measures, and implement and manage firewalls, virus checks, and other measures to avoid external attacks.

Risks	Details and impacts on the Group	Responses
Handling of personal information	<p>In selling products through e-commerce and other means, the Group receives names, addresses, and other information from customers and retains large volumes of personal information. Accordingly, the Group qualifies as a business operator handling personal information under the Act on the Protection of Personal Information.</p> <p>The Group's business and business performance may be affected by the obligation to provide compensation for damages or by damage to reputation resulting from an external leak of personal information concerning the Group's customers or other parties.</p>	<p>As part of its efforts related to personal information, the Group earned Information Security Management System (ISMS)* certification in 2018. It also encrypts data, employs strict access controls, and undergoes regular system diagnostics by an outside agency. Other efforts include the establishment of information management rules and manuals, education and training for program developers, and thorough in-house training for all employees.</p> <p>* Information Security Management System (ISMS): A system for managing the security of information assets in the organization</p>
Responding to technological innovation	<p>The e-commerce and Internet industries in which the Group engages in business experience continuous technological innovations and the introduction of new services. The Group's business and business performance may be affected by delays in its response to technological innovations and other developments, unforeseen increases in investments or costs related to computer systems, and other technological matters.</p>	<p>The Group strives to proactively make advances by modifying its service models or introducing new features in businesses in connection with technological innovations and other developments.</p>

(5) Human resource risks

Risks	Details and impacts on the Group	Responses
Management of human resources	<p>President and Representative Director Kohey Takashima, who played a vital role in the Group's founding and leads its business operations, plays a vital role in Group business activities overall, including in management policies and strategies. The Group is highly dependent on him as an individual.</p> <p>The Group's business and business performance may be affected if the performance of its duties were impeded for any reason.</p>	<p>To build a management structure that is not overly dependent on Mr. Takashima, the Group is promoting efforts such as delegating authority to other Directors and employees.</p>
Securing and developing human resources	<p>As the Group's market grows and competition intensifies, the struggle to secure human resources will intensify, leading to developments such as an outflow of human resources from the Group or impediments to securing human resources. In addition, rapid growth in business volumes due to sharp increases in orders received may lead to reduced efficiency due to personnel shortages in product shipping, customer service, and other operations. The Group's business and business performance may be affected by such event.</p>	<p>Recognizing the need to secure and develop capable human resources as its businesses grow rapidly, the Group strives to train and secure human resources internally as well as hire human resources from outside the organization. In addition, operations such as shipping at logistics centers and customer service to handle customer inquiries and other customer needs involve labor intensive aspects. These lead to the need to always assign certain number of human resources efficiently. Accordingly, the Group strives to ensure appropriate hiring and training for such human resources.</p>

(6) Legal and other risks

Risks	Details and impacts on the Group	Responses
Major laws and regulations	The Group is required to comply with numerous laws and regulations, chiefly the Food Sanitation Act, the Act on Promotion of Recycling and Related Activities for Treatment of Cyclical Food Resources, the Act against Unjustifiable Premiums and Misleading Representations, the Health Promotion Act, the Consumer Contract Act, the Road Transportation Act, the Antimonopoly Act, the Act on Securing the Proper Operation of Worker Dispatching Businesses and Protecting Dispatched Workers, and the Building Standards Act. The Group's business and business performance may be affected by restrictions or suspension of business activities if these laws or regulations are not complied with.	To avoid such risks, the Group has established various rules and guidelines, including those on ethics, to maintain a compliance promotion structure and to educate and raise awareness among officers and employees, a part of which is annual compliance training. It also established the Corporate Ethics Hotline as an internal whistleblowing program for compliance violations recognized by officers or employees and carries out investigations and corrective measures based on the details of reports received through the hotline, as necessary.

#### 4. Management's analysis of financial standing, business results, and cash flows

##### (1) Overview of business results

Summarized below are the Group's financial standing, business results, and cash flows ("business results, etc." hereinafter) for the consolidated fiscal year under review.

Regarding comparisons to the previous fiscal year, while the results for SHIDAX CORPORATION were included in the scope of consolidation in only the fourth quarter last year, they have been included in consolidated results for the full year in this consolidated fiscal year.

##### (i) Financial standing and business results

During the fiscal year, the Japanese economy recovered from the impact of the COVID-19 pandemic and moved toward a stable economic environment. Government policies, along with favorable external conditions, helped bolster personal consumption. However, rising energy and raw material costs, as well as geopolitical risks, continue to cast uncertainty over the economic outlook. Our core BtoC Subscription Business maintained robust consumer demand for food delivery services even as overall economic activity normalized. By expanding our product lineup and developing offerings that provide convenience and time savings, we are actively meeting the evolving food needs of households. In the BtoB Subscription Business, market activity remained strong as office cafeterias played a vital role in motivating employees to return to the workplace. Still, rising ingredient prices, higher minimum wages, and persistent labor shortages have presented significant challenges. Against this backdrop, the Company - an essential supporter of the food infrastructure, remains committed to ensuring a stable supply of products. Amid significant shifts in food consumption patterns at home and in institutions such as hospitals and nurseries, we will proactively identify emerging needs among our customers, end users, and clients, and offer products and services tailored to those demands. The Group's resulting financial standing and business results for the consolidated fiscal year under review are presented in brief below.

##### a. Financial position

Total assets at the end of the consolidated fiscal year under review were down 9,145 million yen from the end of the previous consolidated fiscal year to 134,564 million yen. Total liabilities were down 11,230 million yen from the end of the previous consolidated fiscal year to 95,076 million yen. Total net assets were up 2,085 million yen from the end of the previous consolidated fiscal year to 39,487 million yen.

##### b. Business results

Business results for the consolidated fiscal year under review showed net sales of 256,009 million yen (up 72.5% YoY), operating profit of 6,864 million yen (up 33.9% YoY), ordinary profit of 6,561 million yen (up 48.4% YoY), and profit attributable to owners of the parent of 3,638 million yen (down 11.4% YoY).

In addition, the Company Group has revised its financial statements because it was discovered that inventory assets had been overstated at the food manufacturing base of SLOGIX CORPORATION (a business company operating under SHIDAX CORPORATION that was made a consolidated subsidiary during the previous consolidated fiscal year, all shares of which are held by SHiDAX HOLDINGS CORPORATION; the Company, in turn, holds 66% of all shares in SHiDAX HOLDINGS CORPORATION). The Company revised its financial results for FY2023 (fiscal year ended March 2024) and beyond and submitted the securities report for the fiscal year ended March 2024 and the half-year report for the fiscal year ended March 2025 to the Kanto Local Finance Bureau on March 31, 2025.

Presented below are business results by business segment:

The BtoC Subscription Business recorded net sales of 97,152 million yen (down 2.2% YoY) and segment profit of 9,361 million yen (up 6.8% YoY).

The BtoB Subscription Business recorded net sales of 60,784 million yen (up 305.9% YoY) and segment profit of 407 million yen (up 31.8% YoY).

The Social Services Business recorded net sales of 52,352 million yen (up 359.9% YoY) and segment profit of 2,158 million

yen (up 542.1% YoY).

The Vehicle Operation Services Business recorded net sales of 27,174 million yen (up 336.2% YoY) and segment profit of 1,930 million yen (up 539.3% YoY).

Other Businesses recorded net sales of 21,138 million yen (up 17.3% YoY) and segment profit of 1,048 million yen (down 13.9% YoY).

(ii) Cash flows

For the consolidated fiscal year under review, net cash provided by (used in) operating activities was 3,496 million yen; cash flows used in investment activities were 12,451 million yen; and cash flows used in financing activities were 1,551 million yen. As a result of these and other factors, cash, and cash equivalents (“funds” hereinafter) declined by 10,485 million yen to a year-end balance of 18,955 million yen.

(iii) Production, orders received, and sales

a. Production

While the Group engages in production activities, disclosure of these items is omitted due to their negligible materiality compared to the Group’s businesses.

b. Orders received

Disclosure from orders received is omitted because the period from purchase through sale of products is extremely short in the Group’s main businesses.

c. Sales performance

Shown below is the sales performance by business segment for the consolidated fiscal year under review.

Segment	Consolidated fiscal year under review (April 1, 2024 – March 31, 2025)	YoY (%)
BtoC Subscription (million yen)	97,152	(2.2)
BtoB Subscription (million yen)	60,784	305.9
Social Services (million yen)	52,352	359.9
Vehicle Operation Services (million yen)	27,174	336.2
Other (million yen)	21,138	17.3
Adjustments (million yen)	(2,592)	62.8
Total (million yen)	256,009	72.5

Notes:

1. Transactions between business segments are not eliminated by offsetting. Rather, they are indicated above as adjustment amounts.
2. The amounts above exclude consumption tax, etc.
3. The “Other” segment above includes the businesses of e-commerce support for other firms, mobile supermarkets, and Web system development.

(2) Details of analysis and consideration of the state of business results from the management perspective

Shown below is details of recognition, analysis, and consideration of the state of the Group's business results, etc. from the management perspective.

Regarding comparisons to the previous fiscal year, while the results for SHIDAX CORPORATION were included in the scope of consolidation in only the fourth quarter last year, they have been included in consolidated results for the full year in this consolidated fiscal year.

(i) Details of analysis and consideration of financial standing and the state of business results

The Group sought to grow its businesses and enhance earning capabilities, chiefly in the food-centered business domains of the BtoC Subscription Business and the BtoB Subscription Business.

Business growth in the BtoC Subscription Business centers on the three major domestic brands. The Group implemented strategies in line with the business phase of each brand while making progress on providing products and services to meet evolving consumer needs. To enhance earnings capabilities, the Group implemented multiple measures, including efforts to cut product costs—for example, by bringing processes in house and improving Kit Oisix manufacturing efficiency—and measures to cut costs in logistics through consolidation and efficiency improvements at logistics centers.

To grow the BtoB Subscription Business, as labor shortages become a pressing issue across the food service industry, the Group increased wages for the first time in some 20 years, seeking to secure stable human resources and reduce overwork. To enhance earnings capabilities, it proceeded with measures such as making profitability visible on a store-to-store basis and negotiating with customers to optimize pricing in response to the rising cost of raw materials and other factors.

The Group will continue to identify and respond swiftly to potential needs in response to the dramatically changing dining environment and to enhance its proposals of new food value, including unique products and dining experiences available only through its services.

a. Financial standing and business results

1) Financial position

(Assets)

At the end of the consolidated fiscal year under review, total assets stood at 134,564 million yen, down 9,145 million yen from 143,709 million yen at the end of the previous consolidated fiscal year.

Current assets stood at 53,246 million yen, down 8,031 million yen from 61,278 million yen at the end of the previous consolidated fiscal year. This was due to a decline of 10,493 million yen in cash and deposits; increases of 1,058 million yen in accounts receivable-trade, 478 million yen in merchandise and finished goods, and 461 million yen in raw materials and supplies; a decline of 192 million yen in accounts receivable-other; and an increase of 526 million yen in other current assets.

Non-current assets stood at 81,317 million yen, down 1,114 million yen from 82,431 million yen at the end of the previous consolidated fiscal year. This was due to an increase of 665 million yen in property, plant, and equipment; a decline of 1,835 million yen in intangible assets; and an increase of 55 million yen in investments and other assets. The main causes of the decrease in intangible assets were declines of 1,179 million yen in customer-related assets and 388 million yen in goodwill, both due to amortization.

(Total liabilities)

Total liabilities at the end of the consolidated fiscal year under review stood at 95,076 million yen, down 11,230 million yen from 106,307 million yen at the end of the previous consolidated fiscal year.

Current liabilities stood at 45,933 million yen, down 16,941 million yen from 62,875 million yen at the end of the previous consolidated fiscal year. These changes were due to declines of 9,032 million yen in accounts payable-other, 4,950 million yen in short-term borrowings, and 2,426 million yen in income taxes payable.

Non-current liabilities stood at 49,143 million yen, up 5,710 million yen from 43,432 million yen at the end of the previous consolidated fiscal year. This was due to an increase of 6,753 million yen in long-term borrowings and a decline of 1,181 million yen in lease liabilities.

(Total net assets)

Total net assets at the end of the consolidated fiscal year under review stood at 39,487 million yen, up 2,085 million yen from 37,401 million yen at the end of the previous consolidated fiscal year. This was due to the recording of 3,638 million yen in profit attributable to owners of the parent, acquisition of 2,303 million yen in treasury stock, and an increase of 723 million yen in non-controlling interests.

## 2) Business results

### (Net sales)

Net sales for the consolidated fiscal year under review were up 72.5% from the previous consolidated fiscal year to 256,009 million yen.

### (Cost of sales)

Cost of sales for the consolidated fiscal year under review was up 108.9% from the previous consolidated fiscal year to 180,798 million yen, due to factors including increased purchases of merchandise accompanying growth in sales.

### (Selling, general and administrative expenses)

Selling, general and administrative expenses for the consolidated fiscal year under review were up 20.5% from the previous consolidated fiscal year to 68,345 million yen, due to factors including salaries and allowances and the recording of provision for bonuses.

### (Profit attributable to owners of parent)

Profit attributable to owners of the parent for the consolidated fiscal year under review was down 11.4% from the previous consolidated fiscal year to 3,638 million yen. Contributing factors included a decrease in gain on step acquisitions.

## b. Business results by business segment

The BtoC Subscription Business responds to customer orders received via e-commerce channels and catalogs. It provides home delivery services for high-value-added food (fruits and vegetables, processed food items, and meal kits) that generate low environmental loads, produced according to our unique cultivation/production standards. It also provides daily commodities and miscellaneous products. Oisix, our primary brand, focuses on dual-income, child-raising households. It seeks to provide products and services that help customers save valuable time. Daichi wo Mamoru kai marked its 50th anniversary this year. Based on the concept of 'Thoroughly Natural and Entirely Domestic,' it focuses on developing services centered on domestic organic food ingredients. Our Radish Boya home delivery business primarily offers products to households that want to contribute to society through their daily activities, such as meal preparation. We are developing products and services like Fuzoroi Radish (Irregular Radish) and promoting the development of services that will offer new value. Purple Carrot specializes in plant-based meal kits with a special focus on consumers who want to achieve a healthy lifestyle through food. It provides products and services that offer time savings for plant-based cooking. Oisix, Daichi wo Mamoru kai, and Radish Boya are currently deployed in Japan. Purple Carrot is deployed in the US.

With lifestyles continuing to diversify, each brand focuses on various measures to find growth opportunities, including new ways to engage with customers and provide services. Radish Boya and Purple Carrot saw increases in both revenue and membership. In contrast, Oisix and Daichi wo Mamoru kai experienced a decline in total revenue as they sought to curb member acquisition costs and optimize new member acquisition. At the same time, segment income at Oisix grew from the previous year for various reasons, including an increase in ARPU driven by efforts to strengthen service and product quality and revise shipping rates, a shift to lower-cost refrigerated and frozen categories, and an increase in the in-house manufacturing ratio.

As a result, net sales totaled 97,152 million yen (down 2.2% YoY); segment profit was 9,361 million yen (up 6.8% YoY).

In the BtoB Subscription Business, in addition to sales to the restaurant industry, we're involved in the food wholesale business for nursery schools, supplying and managing meals for the cafeterias of companies, government agencies, schools, and nursing schools; providing meals to hospitalized patients; and supplying meals to elderly facilities and other contract operations. For net sales, along with a steady increase in the number of managed facilities, compared to the same period in the previous year, when the number of meals consumed at offices, factories, and elderly facilities decreased due to the pandemic, sales grew. Thus, sales grew compared to the same period of the previous year when these operations were undertaken as part of SHIDAX CORPORATION. Initiatives using food provider meal kits for nursery schools and contracts to supply premium meals to elderly facilities created even stronger synergies, expanding the range of menus and service proposals. At the same time, the cost ratio for segment income worsened due to continuing spikes in raw material costs and surging prices for rice due to its scarcity. Additionally, labor costs rose sharply due to the impact of raising the minimum wage and other factors, which led to a decline compared to the results when these operations were part of SHIDAX CORPORATION in the same period last year.



As a result, net sales were 60,784 million yen (up 305.9% YoY); segment profit was 407 million yen (up 31.8% YoY).

The Social Services Business manages and operates kindergarten and elementary and junior high school meal services, after-school childcare clubs, children's centers, libraries, and roadside stations contracted by the local government, and other services outsourced by private companies. We are seeking to capture demand related to the private sector contracting government services against a backdrop of labor shortages attributable to the aging population, low birthrates, and rising costs. Continuing from the previous year, we have actively pursued various proposal activities. In particular, centering on the after-school child services business and school lunch preparation business, our diverse range of services to meet diversifying child-rearing needs has led to steady growth in contracts and net sales compared to the same period of the previous year for operations undertaken as part of the SHIDAX CORPORATION. At the same time, the segment income declined compared to the same period of the previous year for operations undertaken as part of the SHIDAX CORPORATION. Contributing factors included rising labor costs and the discontinuation of a one-off, pandemic-related business that was contracted in the same period last year.

As a result, net sales totaled 52,352 million yen (up 359.9% YoY); segment profit was 2,158 million yen (up 542.1% YoY).

The Vehicle Operation Services Business engages in vehicle management operations outsourced by private companies and local governments. Net sales grew from the same period of the previous year for operations undertaken as part of the SHIDAX CORPORATION due to continued strong orders for corporate executive vehicles, driven in large part by enhanced online promotions and projects won through strengthened efforts to capture local transportation needs, such as demand for school buses following the withdrawal of existing bus routes and the closure and consolidation of schools. Segment income grew compared to the same period of the previous year for operations undertaken as part of the SHIDAX CORPORATION due to higher revenue, and despite rising labor costs and fuel prices.

As a result, net sales totaled 27,174 million yen (up 336.2% YoY); segment profit was 1,930 million yen (up 539.3% YoY).

This segment is made up of the e-commerce support business for other companies, supermarket on wheels business, and investment operations. Net sales grew compared to the same period of the previous year due to contributions from subsidiaries acquired through M&A and other factors. At the same time, segment income declined from the same period of the previous year. At the same time, segment income declined from the same period of the previous year, due partly to the impact of increased goodwill amortization for subsidiaries, even though ISETAN DOOR progressed steadily in the e-commerce support business for other companies.

As a result, net sales were up sharply (by 17.3% YoY) to 21,138 million yen and segment profit declined by 13.9% YoY to 1,048 million yen.

(ii) Details of analysis and consideration of cash flows and information on sources of capital and liquidity of funds

a. Cash flows

The balance of cash and cash equivalents at the end of the consolidated fiscal year under review was down 10,485 million yen from the previous consolidated fiscal year to 18,955 million yen.

Shown below is the status of cash flow for the consolidated fiscal year under review, and main contributing factors.

(Cash flow from operating activities)

Funds from operating activities totaled 3,496 million yen (down 54.7% YoY). This was due mainly to profit before income taxes of 6,559 million yen, depreciation of 4,596 million yen, and amortization of goodwill of 1,339 million yen, while income taxes paid totaled 4,574 million yen, accounts payable—other declined by 1,100 million yen, accounts receivable—trade increased by 1,027 million yen, and inventories increased by 857 million yen.

(Cash flow used in investing activities)

Funds used in investment activities totaled 12,451 million yen (up 15.1% YoY). This was due mainly to expenditures of 8,261 million yen in purchases of shares of subsidiaries resulting in a change in scope of consolidation, 2,552 million yen in

purchases of property, plant, and equipment, 852 million yen in purchases of intangible assets, and 635 million yen in purchases of investment securities.

(Cash flow from financing activities)

Funds used in financing activities totaled 1,551 million yen (vs. 17,735 million yen gained from financing activities in the previous year). This was due to 8,228 million yen in proceeds from long-term borrowings, a 4,988 million yen net decrease in short-term borrowings, expenditures of 2,311 million yen on acquisition of treasury stock, and expenditures of 2,131 million yen on repayments of long-term borrowings.

b. Sources of capital and liquidity of funds

1) Financial policies

Currently, the Group raises working capital from funds on hand (internal reserves from profit, etc.) and short-term borrowings under current account overdraft agreements. Based on capital investment plans, it considers raising funds for investment through long-term borrowings should funds on hand prove insufficient. Should the need for sustained capital investments or large-scale projects emerge, it also considers raising funds through other means, including capital increases through public offerings, to enhance its long-term financial foundations.

2) Demand for funds

The primary demand for working capital in the Group's business activities emerges from operating expenses such as the purchase of merchandise, packing and shipping costs for delivering products to customers, and marketing expenses for securing new customers. Major sources of demand for funds for capital investment include investments in new and expanded equipment at logistics centers and at other facilities and investments in software development for purposes such as sales management systems.

(iii) Significant accounting estimates and assumptions underlying such estimates

The Group's consolidated financial statements are prepared based on the accounting principles generally accepted in Japan. Their preparation requires estimates that may affect management's selection and application of accounting policies, as well as reported figures on assets, liabilities, revenues, and expenses. Management makes reasonable estimates with consideration for matters such as past results. However, actual results may differ from these estimates due to their inherent uncertainty.

The important accounting policies of the Company and its consolidated subsidiaries are described under "Part 5. Accounting: 1. Consolidated financial statements: (1) Notes to the consolidated financial statements (Important matters serving as a basis for the preparation of the consolidated financial statements)." Significant accounting estimates and assumptions underlying such estimates are described under "Part 5. Accounting: 1. Consolidated financial statements: (1) Notes to the consolidated financial statements (Significant accounting estimates)."

## 5. Important business contracts

### (1) Agreement among shareholders of SHIDAX CORPORATION

As outlined below, the Company has concluded an agreement with other shareholders holding 34% of voting rights in SHiDAX HOLDINGS CORPORATION, a consolidated subsidiary.

Date concluded	Parties to the agreement	Key aspects of the agreement
November 10, 2023	The Company Kinichi Shida, Tsutomu Shida, Shojiro Shida, Tomiji Shida, Miyuki Shida, Yuma Shida, Arisa Nagaki, Emiri Shida, and SDI Corporation ("founders" hereinafter)	This agreement is intended to strengthen the corporate value of the SHiDAX Group over the medium to long term by establishing agreement on governance and operational structures and handling of shares for SHIDA Holdings Corporation (now SHiDAX HOLDINGS CORPORATION) ("SHiDAX HOLDINGS" hereinafter) following a capital increase through third-party allocation of shares by that company; by establishing agreement on governance and operational structures and handling of shares for SHIDAX CORPORATION after taking it private; and through cooperation between the founders and the Company in SHiDAX Group business operations.

### (2) Commitment line agreements and term loan agreements with financial institutions

The Group has concluded (i) current account overdraft agreements with its primary financial institutions to enable efficient fundraising.

It has also concluded agreements on (ii) commitment lines of credit and (iii) syndicated loans related to debts held by SHiDAX HOLDINGS CORPORATION.

Shown below are the unexecuted balances of loans under these agreements as of the end of the consolidated fiscal year under review.

	Consolidated fiscal year under review
(i) Current account overdraft agreements	
Total amount of current account overdraft agreements	24,095 million yen
Current account overdraft executed balance	10,095 million yen
(ii) Agreement on commitment lines of credit (Note)	
Total amount of commitment lines of credit	4,500 million yen
Executed balance of commitment line of credit	—
(iii) Agreement on syndicated loans (Note)	
Total amount of syndicated loans	22,575 million yen
Executed balance of syndicated loans	22,575 million yen
Unexecuted balance of loans	18,500 million yen

Note: The agreements on commitment lines of credit and syndicated loans are subject to certain restrictive financial clauses. Pursuant to Article 3, Paragraph 4 of the Supplementary Provisions to the Cabinet Office Order on Partial Amendment of the Cabinet Office Order on Disclosure of Corporate Affairs and the Cabinet Office Order on Disclosure of Information on Regulated Securities, parts of the descriptions are omitted for the agreements under (1) Agreement among shareholders of SHIDAX CORPORATION and (2) Commitment line agreements and term loan agreements with financial institutions concluded prior to April 1, 2024.

## 6. Research and development activities

Not applicable

## Section 3. Equipment and facilities

### 1. Overview of capital investments

During this consolidated fiscal year, the Company made total capital investments of 4,815 million yen (including leased assets) for machinery and equipment and computer systems at the ORD Atsugi Cold Storage for the BtoC Subscription Business. It also acquired passenger buses for its vehicle operation services.

No material disposal, sale, etc. of equipment or facilities took place during this consolidated fiscal year.

### 2. Major facilities

The Group's major facilities are listed below.

#### (1) Reporting company

As of March 31, 2025

Name (location)	Business segment	Facility details	Book value							Employees (persons)
			Building(s) (million yen)	Machinery and equipment (million yen)	Tools, furniture, and fixtures (million yen)	Other property, plant, and equipment (million yen)	Software (million yen)	Other intangible assets (million yen)	Total (million yen)	
Head office (Shinagawa-ku, Tokyo)	BtoC Subscription, BtoB Subscription, common to all segments	General business facility	179	0	80	8	1,176	94	1,539	617 (150)
ORD Ebina (Ebina, Kanagawa Prefecture)	BtoC Subscription	Logistics facility	475	1,391	249	10,190	125	0	12,433	36 (491)
ORD Atsugi Cold Storage (Atsugi, Kanagawa Prefecture)	BtoC Subscription	Logistics facility	323	2,174	532	7,918	231	0	11,180	2 (-)

Notes:

1. The amounts above exclude consumption tax, etc.
2. Number of employees indicated in parentheses indicate temporary employees, who do not count toward the total number of employees.
3. Other intangible assets include trademarks and software in process.
4. No major facilities are under suspension of operations at present.

#### (2) Domestic subsidiaries

Not applicable

#### (3) Overseas subsidiaries

Not applicable

### 3. Plans for new construction, disposal of equipment and facilities

#### (1) New construction of important equipment and facilities

The machinery and equipment adopted at the ORD Atsugi Cold Storage, as described under “Section 3. Equipment and facilities: 3. Plans for new construction, disposal of equipment and facilities” in the Annual Securities Report for the previous consolidated fiscal year, began operating during the consolidated fiscal year under review.

Plans for new construction, etc. for important equipment and facilities as of the end of the consolidated fiscal year under review are shown below.

Name (location)	Business segment	Facility details	Planned investment amount		Fundraising method	Plans for start and completion of construction		Capacity increase after completion
			Total (million yen)	Already paid (million yen)		Start	Completion	
Headquarters (Shinagawa-ku, Tokyo)	BtoC Subscription	Software development, etc.	688	—	Equity capital	April 2025	March 2026	Responding to increased sales

#### (2) Disposal of important equipment and facilities

No disposal of important equipment and facilities other than disposal for regular equipment updates occurred or arose.

## Section 4. Status of the reporting company

### 1. Status of stock

#### (1) Total shares of stock

##### (i) Total shares of stock

Class	Total authorized shares
Common stock	71,411,200
Total	71,411,200

##### (ii) Shares outstanding

Class	Shares outstanding as of the end of the previous business year (March 31, 2025)	Shares outstanding as of date of Report submission (June 25, 2025)	Name of listed financial instruments exchange or registered financial instruments industry association	Details
Common stock	38,028,092	37,960,000	Tokyo Stock Exchange Prime Market	Standard shares of stock in the Company with no restrictions on rights, with minimum trading units of 100 shares
Total	38,028,092	37,960,000	—	—

#### (2) Status of share subscription rights

##### (i) Detailed information on stock option systems

Not applicable

##### (ii) Detailed information on rights plans

Not applicable

##### (iii) Status of other share subscription rights

Not applicable

#### (3) Exercise status of bonds with share subscription rights with clauses on revision of strike price

Not applicable

(4) Trends in total shares outstanding, capital

Date	Change in total shares outstanding	Balance of total shares outstanding	Change in capital (million yen)	Balance of capital (million yen)	Change in capital reserves (million yen)	Balance of capital reserves (million yen)
April 1, 2020 – March 31, 2021 (Note 1)	134,192	34,458,308	6	1,698	6	5,578
April 8, 2020 (Note 2)	3,013,600	37,471,908	1,953	3,651	1,953	7,531
May 1, 2020 (Note 3)	527,000	37,998,908	341	3,993	341	7,873
April 1, 2021 – March 31, 2022 (Note 4)	15,984	38,014,892	1	3,994	1	7,874
April 1, 2022 – March 31, 2023 (Note 5)	13,200	38,028,092	1	3,995	1	7,876

Notes:

- Exercise of share subscription rights  
The number of shares increased by 134,192 due to the exercise of share subscription rights by resolutions passed at the regular General Meetings of Shareholders held June 28, 2005, June 23, 2011, and June 21, 2012.
- General offerings at par value (issue of new shares through public offering)  
Issue price 1,379 yen  
Issue value 1,296.55 yen  
Amount added to capital 648.275 yen  
Total pay-in amount 3,907 million yen
- Third-party allocation at par value (capital increase through third-party allocation of shares related to sales through over-allotment)  
Issue value 1,296.55 yen  
Amount added to capital 648.275 yen  
Allotted to SMBC Nikko Securities Inc.
- Exercise of share subscription rights  
The number of shares increased by 15,984 due to the exercise of share subscription rights by resolutions passed at the regular General Meetings of Shareholders held June 23, 2011, and June 21, 2012.
- Exercise of share subscription rights  
The total number of shares outstanding increased by 13,200, capital increased by 1 million yen, and capital reserves increased by 1 million yen due to the exercise of share subscription rights by a resolution passed at the regular General Meeting of Shareholders held June 21, 2012.
- The total number of shares outstanding decreased by 68,092 shares to 37,960,000 shares as a result of the retirement of treasury stock on May 30, 2025, under a resolution passed by the Board of Directors in its meeting held May 15, 2025.

(5) Composition of ownership

As of March 31, 2025

As of March 31, 2023

Category	Shareholdings (minimum trading unit: 100 shares)								Shares in less than the minimum trading unit
	National and local governments	Financial institutions	Financial instruments brokers	Other corporations	Foreign corporations		Individuals and others	Total	
					Non-individuals	Individuals			
Shareholders	–	14	21	102	77	44	19,455	19,713	–
Shares held (minimum trading units)	–	42,781	13,424	43,741	85,337	485	193,982	379,750	53,092
Percentage of shares held	–	11.27	3.53	11.52	22.47	0.13	51.08	100.00	–

Note: Treasury stock of 3,295,174 shares is included under 32,951 minimum trading units under “Individuals and others” and 74 shares under “Shares in less than the minimum trading unit.”



## (6) Major shareholders

As of March 31, 2025

Name	Address	Shares held	Percentage held of shares outstanding (not including treasury shares)
Kohey Takashima	Shinagawa-ku, Tokyo	4,847,200	13.96
The Master Trust Bank of Japan, Ltd.	Akasaka Intercity AIR, 8-1 Akasaka 1-chome, Minato-ku, Tokyo	3,123,200	8.99
Recruit Co., Ltd.	Gran Tokyo South Tower, 9-2 Marunouchi 1-chome, Chiyoda-ku, Tokyo	2,648,000	7.62
The Bank of New York 133612 (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	Boulevard Anspach 1, 1000 Brussels, Belgium (Shinagawa Intercity A, 15-1 Konan 2-chome, Minato-ku, Tokyo)	2,553,600	7.35
The Bank of New York Mellon 140040 (standing proxy: Mizuho Bank, Ltd., Settlement Sales Division)	240 Greenwich St., New York, NY 10286 (Shinagawa Intercity A, 15-1 Konan 2-chome, Minato-ku, Tokyo)	1,168,600	3.36
Kazuyoshi Fujita	Suginami-ku, Tokyo	1,032,516	2.97
NTT DOCOMO, INC.	11-1 Nagatacho 2-chome, Chiyoda-ku, Tokyo	1,000,000	2.88
Custody Bank of Japan, Ltd. (Trust Account)	8-12 Harumi 1-chome, Chuo-ku, Tokyo	884,100	2.55
The Bank of New York 133652 (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	Boulevard Anspach 1, 1000 Brussels, Belgium (Shinagawa Intercity A, 15-1 Konan 2-chome, Minato-ku, Tokyo)	746,000	2.15
Yusuke Tsutsumi	Setagaya-ku, Tokyo	720,000	2.07
Total	—	18,723,216	53.91

## Notes:

1. All shares of stock held by the Master Trust Bank of Japan, Ltd. and Custody Bank of Japan, Ltd. are related to their trust businesses.
2. Although the Report on Major Shareholders (Report on Change) made available for public viewing on February 21, 2024 indicated that Baillie Gifford & Co. owned the following shares as of February 15, 2024, it is not included among major shareholders above because the Company was unable to confirm its effective number of shares held as of the date of record for the exercise of voting rights.

The details of the Report on Major Shareholders (Report on Change) are shown below:

Name	Address	Shares held (thousands)	Percentage held of shares
Baillie Gifford & Co.	Carlton Square, 1 Greenside Row, Edinburgh EH1 3AN, Scotland	3,536	10.18

## (7) Voting rights

## (i) Shares outstanding

As of March 31, 2025

Category	Shares	Voting rights	Details
Shares without voting rights	—	—	—
Shares with restricted voting rights (treasury shares)	—	—	—
Shares with restricted voting rights (other)	—	—	—
Shares with voting rights (treasury shares)	Common stock 3,295,100	—	—
Shares with voting rights (other)	Common stock 34,679,900	346,799	—
Shares in less than the minimum trading unit	Common stock 53,092	—	—
Total shares outstanding	38,028,092	—	—
Total shareholder voting rights	—	346,799	—

## (ii) Treasury stock

As of March 31, 2025

Owner name	Owner address	Shares held in own name	Shares held in others' names	Total number of shares held	Shareholding ratio (%)
Oisix ra daichi Inc.	1-11-2 Osaki, Shinagawa-ku, Tokyo	3,295,100	—	3,295,100	8.67
Total	—	3,295,100	—	3,295,100	8.67

## 2. Status of treasury stock acquisition

Stock class: Acquisition of common stock under Article 155, Paragraphs 3 and 7 of the Companies Act

### (1) Status of acquisition by resolution(s) passed at the general meeting of shareholders

Not applicable

### (2) Status of acquisition by resolution(s) passed at the Board of Directors

Category	Shares	Total price (million yen)
Status following resolution passed at the Board of Directors (May 14, 2024) (Acquisition period: May 15 – September 18, 2024)	1,825,000	3,000
Treasury stock acquired before this business year	–	–
Treasury stock acquired during this business year	1,825,000	2,303
Total number and amount of shares remaining to be acquired under the resolution	–	696
Percentage unexercised as of the end of the business year	–	23.21
Treasury stock acquired during the period	–	–
Percentage unexercised as of the date on which the Report was submitted	–	23.21

Note: Treasury stock acquired during the period excludes shares acquired from June 1, 2025, through the date on which the Report was submitted.

### (3) Details not based on resolutions of the general meeting of shareholders or resolutions of the Board of Directors

Category	Shares	Total price (yen)
Treasury stock acquired during this business year	44	54,560
Treasury stock acquired during the period	30	46,500

Note: Treasury stock acquired during the period excludes shares in less than the minimum trading unit acquired from June 1, 2025, through the date on which the Report was submitted.

### (4) Status of disposal and holding of treasury stock acquired

Category	Current business year		Current period	
	Shares	Total disposal price (yen)	Shares	Total disposal price (yen)
Treasury stock acquired offered by underwriters	–	–	–	–
Treasury stock acquired disposed of through retirement	–	–	68,092	140,677,290
Treasury stock acquired subjected to mergers, stock swaps, granting of shares, or stock splits	–	–	–	–
Other	–	–	–	–
Total treasury shares held	3,295,174	–	3,227,112	–

Note: Treasury stock acquired during the period excludes shares in less than the minimum trading unit acquired from June 1, 2025, through the date on which the Report was submitted.

### 3. Dividend policy

The Company has retained all earnings available for distribution as internal reserves to enhance its financial foundations and to prepare for future business growth. However, returning earnings to shareholders remains a key management priority. The Company has adopted the policy of paying dividends to shareholders with a targeted consolidated payout ratio of 15%, based on consideration for financial stability and the need to secure funding to invest in the Company's continuing growth, starting with FY2025.

In general, when distributing retained earnings, the Company plans to pay dividends only once annually, at year-end. However, it has adopted a system of interim dividends under Article 454, Paragraph 5 of the Companies Act. The Articles of Incorporation identify the Board of Directors as the decision-making body for both year-end and interim dividends.

#### 4. Status of corporate governance

##### (1) Overview of corporate governance

###### (i) Basic concept on corporate governance

The Company regards corporate governance as a function of management controls. Recognizing the fact that this function is essential to continually raising corporate value, it strives to strengthen and enhance its corporate governance system.

The Company considers timely and accurate disclosure and the transparency and fairness of decision-making as cornerstones to its accountability to investment markets, including shareholders.

The essence of compliance, one of the pillars of corporate governance, is to meet the expectations of society, a key assumption underlying its business philosophy and the Company's capacity to deliver solutions to society's challenges through its businesses, above and beyond the mere conformance with laws and regulations. It recognizes a comprehensive compliance system to be an important management topic for earning and retaining the trust of shareholders, investors, business partners, and other stakeholders.

###### (ii) Overview of the corporate governance system and reasons for its adoption

###### A. Overview of the corporate governance system

As a company with an audit and supervisory board, the Company has established the General Meeting of Shareholders, the Board of Directors, and the Board of Auditors as bodies under the Companies Act and the Management Committee and the Nomination and Compensation Committee as voluntary bodies.

###### a. Board of Directors

The Board of Directors consists of nine Directors, including five External Directors as of the date of the submission of this Report. In addition to regular monthly meetings, the Board meets at other times as necessary to deliberate and to make decisions on important matters and mutually oversee the performance of their duties. The Corporate Auditors attend each meeting of the Board of Directors and audit the state of execution of the duties of the Board of Directors.

Chairperson:	Director Hiroyuki Ozaki (under the Articles of Incorporation and a Board of Directors resolution)
Directors:	Kohey Takashima, Yusuke Tsutsumi, Kohei Matsumoto
External Directors:	Mitsuyo Hanada, Hitoshi Tanaka, Junko Watabe, Wakako Sakurai, Misato Kowaki
Corporate Auditors:	Chika Otake, Yukihiro Moroe, Takashi Kokubo, Kengo Wada

Proposals to the Board of Directors are submitted in accordance with laws, regulations, the Articles of Incorporation, and internal rules governing approval authority.

In addition to delegating authority to improve the efficacy of deliberations by the Board of Directors, efforts seek to ensure effective decision-making by submitting to the Board of Directors even matters not subject to Board resolutions for discussions in advance, as necessary.

###### Status of main activities of the business year

	Status of attendance and participation in discussions
Director Mitsuyo Hanada	Director Mitsuyo Hanada attended 12 of 12 meetings of the Board of Directors over the course of the fiscal year under review. During the board meetings he attended, he contributed appropriate remarks that drew on his specialized knowledge and experience as an academic expert in matters related to personnel and education.
Director Hitoshi Tanaka	Director Hitoshi Tanaka attended 10 of 12 meetings of the Board of Directors over the course of the fiscal year under review. During the board meetings he attended, he contributed appropriate remarks that drew on his broad knowledge and experience as a corporate executive for many years.

	Status of attendance and participation in discussions
Director Junko Watabe	Director Junko Watabe attended 12 of 12 meetings of the Board of Directors over the course of the fiscal year under review. During the board meetings she attended, she contributed appropriate remarks that drew on her broad knowledge and experience related to business management, including the EC business and business alliances.
Director Wakako Sakurai	Director Wakako Sakurai attended 11 of 12 meetings of the Board of Directors over the course of the fiscal year under review. During the board meetings she attended, she contributed appropriate remarks that drew on her broad knowledge and experience related to the food-related content business and sports business.
Director Misato Kowaki	Director Misato Kowaki attended 11 of 12 meetings of the Board of Directors over the course of the fiscal year under review. During the board meetings she attended, she contributed appropriate remarks that drew on her broad knowledge and experience related to marketing and branding and from the perspective of the public and consumers.
Corporate Auditor Chika Otake	Corporate Auditor Chika Otake attended 12 of 12 meetings of the Board of Directors and 16 of 16 meetings of the Board of Auditors over the course of the fiscal year under review. During the board meetings she attended, she contributed appropriate remarks that drew on her broad knowledge and experience related to management divisions and audit divisions at various companies.
Corporate Auditor Yukihiro Moroe	Corporate Auditor Yukihiro Moroe attended 12 of 12 meetings of the Board of Directors and 16 of 16 meetings of the Board of Auditors over the course of the fiscal year under review. During the board meetings he attended, he contributed appropriate remarks that drew on his broad knowledge and experience, related primarily to corporate management and capital markets.
Corporate Auditor Takashi Kokubo	Corporate Auditor Takashi Kokubo attended 12 of 12 meetings of the Board of Directors and 16 of 16 meetings of the Board of Auditors over the course of the fiscal year under review. During the board meetings he attended, he contributed appropriate remarks that drew on his broad knowledge and experience as an attorney and director at other companies.
Corporate Auditor Kengo Wada	Corporate Auditor Kengo Wada attended 10 of 10 meetings of the Board of Directors and 13 of 13 meetings of the Board of Auditors held since he was appointed Outside Corporate Auditor. During the board meetings he attended, he contributed appropriate remarks that drew on his broad knowledge and experience as a certified public accountant and corporate auditor at other companies.

Note: In addition to the above meetings, four resolutions were passed in writing.

The qualities and skills (e.g., specializations, experience, and discernment) of individual Directors are shown in the following Skills Matrix.

See “(3) Auditing” below concerning Corporate Auditors.

<Officer skills matrix>

Notable skills are indicated by ●

◎: Chairperson ○: Observer														
Properties								Specialization, experience, knowledge						
Name	Independence	Independent officer	Nomination and Remuneration Committee	Age	Gender	Duties, properties, qualifications	Term of office	Corporate management	Business operation	Sales, marketing, product planning	ESG, sustainability	Governance, compliance	Financial accounting, investment, markets	Organization, HR
Kohey Takashima			○	51	Male	Founder, representative, President	25	●	●	●	●			
Yusuke Tsutsumi				47	Male	Founding team member, general business supervision	25		●	●	●			
Hiroyuki Ozaki				72	Male	Retail business operation, general management supervision	16				●	●		●
Kohei Matsumoto				41	Male	Specifics, management planning supervision	7		●			●	●	
Mitsuyo Hanada	●	●	◎	76	Male	University professor (organization, human resources)	18				●	●		●
Hitoshi Tanaka	●	●	○	62	Male	Management of a publicly traded company	10	●	●	●	●			
Junko Watabe	●	●		48	Female	Information management/digital business management	6		●	●	●	●		
Wakako Sakurai	●	●		52	Female	Marketing business management	7	●	●	●				
Misato Kowaki	●	●		41	Female	Independent marketing business	4		●	●	●			

Addendum to the Officers' Skills Matrix

Kohey Takashima	Since the Company was founded in 1997, he has overseen management of the Company and the Group as Representative Director of the Company. He has extensive and deep insight and thoughts in management of the Company and the Group.
Yusuke Tsutsumi	As one of the founding members of the Company when it was established in 1997, he has overseen the operation and management of the Company and the Group. He has extensive and deep insight and thoughts in management of the Company and the Group.
Hiroyuki Ozaki	Since joining the Company, he has drawn on his experience in operations and management within the retail business and has supported Company growth in administrative sections. He has extensive and deep insight and thoughts in management of the Company and the Group.
Kohei Matsumoto	Since joining the Company, he has held positions in corporate planning divisions. He has extensive and deep insight and thoughts in management of the Company and the Group.
Mitsuyo Hanada	He offers extensive insight into overall corporate management, with a focus on personnel and organization from an academic perspective as a university professor. He has also served as a Company Director since before its shares were listed on the Tokyo Stock Exchange Mothers Market and is highly knowledgeable concerning the Company's growth process. The Company anticipates that he will provide beneficial advice and opinions on the management of the Company, both adding to and counterbalancing the perspectives offered by other External Directors. The Company has submitted notification of its status as an independent officer under the independence criteria of the Tokyo Stock Exchange.
Hitoshi Tanaka	The Company anticipates that he will supervise the management of the Company and provide advice and opinions based on his wealth of experience and wide-ranging insights as corporate manager. The Company has submitted notification of its status as an independent officer under the independence criteria of the Tokyo Stock Exchange.
Junko Watabe	She offers extensive insight into management regarding customer management with digital technology accumulated through her career at the Recruit Group. The Company anticipates that she will provide wide-ranging advice and opinions on the management of the Company. The Company has submitted notifications of her status as an independent officer under the independence criteria of the Tokyo Stock Exchange.
Wakako Sakurai	She has many years of experience with ABC Cooking Studio Co., Ltd., and offers a wealth of insights regarding the content business built with NTT DOCOMO, INC. The Company anticipates that she will provide valuable advice and opinions on the management of the Company. The Company has submitted notifications of her status as an independent officer under the independence criteria of the Tokyo Stock Exchange.
Misato Kowaki	She has experience in various activities including planning, consulting, and publishing books related to lifestyles, including food, clothing, and housing. This experience is useful from the perspective of the Company, which is pursuing the creation of new business value in areas related to food. The Company anticipates that she will provide advice and opinions based on her experience and insights on consumer perspectives. The Company has submitted notifications of her status as an independent officer under the independence criteria of the Tokyo Stock Exchange.

b. Management Committee

The Management Committee, consisting of Directors (excluding External Directors), Corporate Auditors, Executive Officers, and other people responsible for individual sections, meets weekly as the second-highest decision-making body after the Board of Directors. Its duties include monitoring everyday business execution and accelerating decision-making.

Chairperson:	President and CEO Kohey Takashima
Directors:	Yusuke Tsutsumi, Hiroyuki Ozaki, Kohei Matsumoto
Corporate Auditor:	Chika Otobe
Executive Officers:	Hiroto Yamashita, Misaki Kan, Ayumu Shingu, Shingo Rikimaru, Satoko Fuji, Sonoko Toukairin, Atsushi Komatsu, Ryo Kishimoto, Yoshihiko Tomita, Takanori Aoki, Masaki



c. Corporate Auditors and Board of Auditors

The Corporate Auditors consist of one Corporate Auditor and three Non-executive Corporate Auditors. All Corporate Auditors are Corporate Auditors. The Board of Auditors consists of these Corporate Auditors.

Each Corporate Auditor strives to increase the efficacy of corporate governance by participating in and expressing opinions at meetings of the Board of Directors and at other important meetings. In principle, the Board of Auditors meets on the same date as regular meetings of the Board of Directors.

Corporate Auditors:	Chika Otohe (one Corporate Auditor)
	Yukihiro Moroe, Takashi Kokubo, Kengo Wada (three Non-executive Corporate Auditors)

d. Establishment of a nomination and compensation committee

In the meeting held on May 26, 2022, the Board of Directors resolved to establish a Nomination and Compensation Committee as an advisory body to the Board. The Committee began operating in June of the same year. The Committee was formed by reorganizing the previous Officer Remuneration Advisory Meeting. In addition to soliciting the views and advice of outside officers, the Committee's three-person membership has a majority of independent External Directors to ensure objectivity and transparency in procedures related to decisions on matters such as the nomination and remuneration of Directors and, by extension, to improve the oversight functions of the Board and enhance corporate governance.

The Independent External Director Mitsuyo Hanada chairs the Nomination and Compensation Committee as of the date of the submission of this Report. Its other members are External Director Hitoshi Tanaka and Representative Director Kohey Takashima. Each member attended all three meetings of the Committee held over the course of this business year.

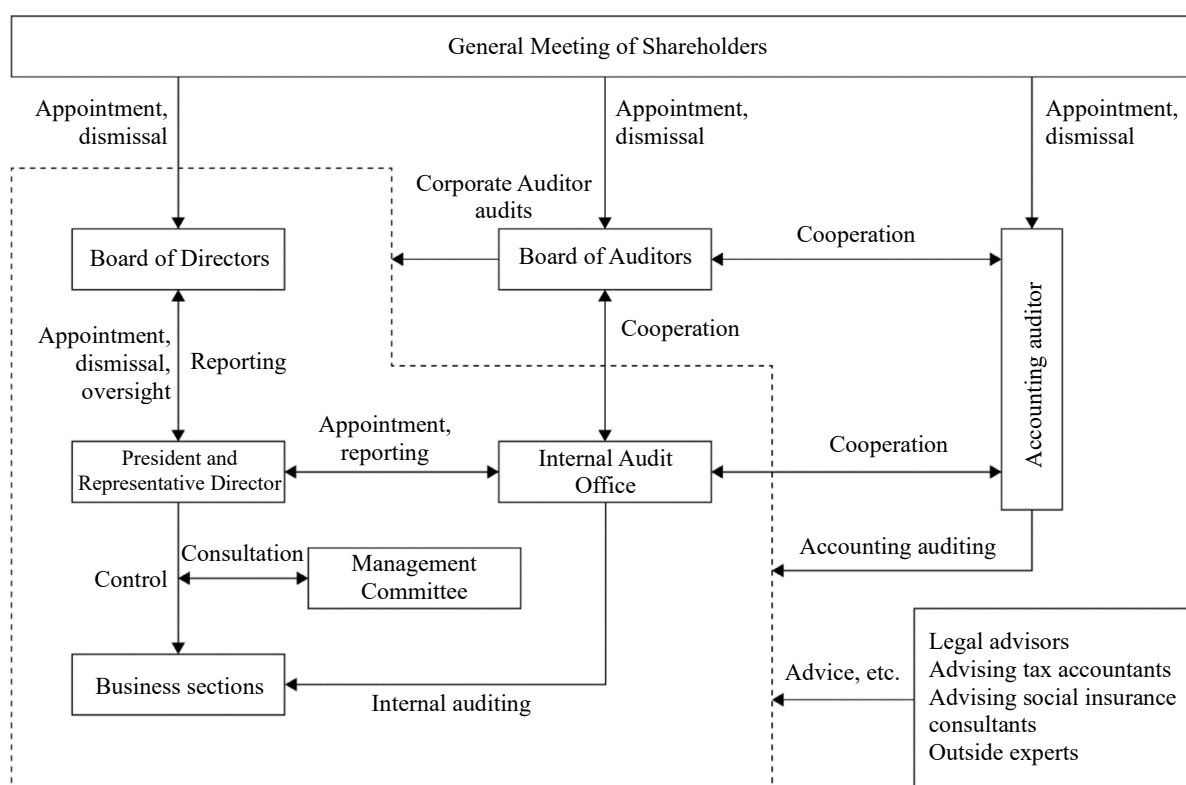
The Nomination and Compensation Committee discusses matters such as the design of systems for the remuneration of individual Directors, the state of business execution, Company business performance, and the appropriate state of management systems and other matters given the Company's business plans and targets. It provides recommendations to the Board of Directors as requested concerning Director remuneration and nomination.

\* The Company has submitted to the Regular General Meeting of Shareholders, scheduled for June 26, 2025, an agenda item (resolution) on the appointment of nine Directors. Should this resolution be approved, the number of Directors would be nine (including five External Directors). The makeup of the proposed Board is as shown under "(2) Officers: (i) List of officers," below. Plans also call for submitting to the Board of Directors meeting to be held immediately after this Regular General Meeting of Shareholders, a resolution concerning appointments to the Nomination and Compensation Committee. Should this resolution be approved, the membership of the Nomination and Compensation Committee would consist of the independent External Directors Mitsuyo Hanada, Hitoshi Tanaka, and Kohey Takashima.

B. Reasons for using this system

The Company has adopted the structure of a company with a Board of Auditors. This structure enables effective decision-making by the Board of Directors and effective oversight of the performance of the duties of the Directors, through concentration of authority and responsibility for business execution in the Board of Directors, as the highest decision-making body, while Corporate Auditors and the Board of Auditors, independent of the Board of Directors, perform the functions of auditing the Board of Directors to ensure a system of sufficient checks and balances.

Shown below is a diagram of the Company's corporate governance structure as of the date on which this Report was submitted.



(iii) Other matters related to internal controls

A. Status of the internal controls system

In the meeting held on October 30, 2006, the Board of Directors approved the Basic Policy on the Development of the Internal Controls System, intended to establish and maintain a system to ensure that the performance of the duties of the Directors complies with laws, regulations, and the provisions of the Articles of Incorporation and other systems and the propriety of operations as a joint-stock company. This Basic Policy has been revised as appropriate.

It was revised at the meeting of the Board of Directors held on March 21, 2024. Detailed information on the current system is provided below.

(i) System to ensure that the performance of the duties of the Directors complies with laws, regulations, and the provisions of the Articles of Incorporation

Directors must ensure that, as individuals embodying the Company's corporate philosophy, Directors themselves and employees of the Company or Company subsidiaries always act in full compliance with laws, regulations, the provisions of the Articles of Incorporation, and in-house rules and with socially accepted norms.

The Board of Directors must ensure that the Board itself as a management body and Directors and employees of the Company or Company subsidiaries establish an effective internal controls system and strive to establish Company-wide compliance systems.

In addition to attending meetings of the Board of Directors in accordance with the provisions of the Companies Act, Corporate Auditors may also attend and express opinions at other important meetings held by Directors.

(ii) Systems related to the retention and management of information concerning the execution of the duties of the Directors

Important information whose disclosure is required by laws and regulations shall be disclosed promptly.

Applications for approval, minutes, and other documents concerning the process of decision-making in connection with the performance of the duties of the Directors shall be retained in an appropriate state based on document management rules. Such documents shall be made available for viewing by Directors and Corporate Auditors at all times.

(iii) Rules and other systems related to the management of the risk of loss

Management of the risk of loss shall be specified in various in-house rules and manuals from a risk management perspective. A Risk Management Committee shall be established as a specialized section to oversee risk management. In cooperation with related sections, it shall ascertain business and management risks at the Company and at Company subsidiaries and analyze and evaluate risks and summarize countermeasures, reporting regularly to the Board of Directors and the Board of Auditors. Communication structures and action manuals shall be maintained to enable effective action by all officers and employees in the event of unforeseen circumstances.

(iv) Systems for ensuring the efficiency of the execution of the duties of the Directors

The Board of Directors meets monthly to make decisions on important matters as provided for by laws, regulations, the Articles of Incorporation, and the Board of Directors rules and to report on the state of business execution.

To enable rapid decision-making on Company business execution, Directors and other nominated members meet to discuss matters and make decisions on business execution policies and other important matters at the Management Committee, in accordance with Management Committee rules.

(v) Systems for ensuring that the execution of the duties of the employees comply with laws, regulations, and the provisions of the Articles of Incorporation

In addition to establishing a corporate philosophy and clarifying the basic philosophy underlying corporate activities, the Company establishes employee action standards to serve as the basis for everyday employee activities.

Employees of the Company and its subsidiaries who become aware of any violations of laws, regulations, Company rules (including related standards), or social norms are required to report them promptly to superiors or through the whistleblowing hotline.

The Internal Audit Office conducts periodic internal audits of matters such as the state of compliance and the propriety of business procedures and other details in the Company's business and its subsidiaries, based on internal audit rules. It reports the results of such audits to the President.

(vi) Systems for ensuring the propriety of the operations of the Group of companies consisting of the Company and its parent companies and subsidiaries

The Company has established affiliate management rules to establish a system whereby Company subsidiaries can perform their duties efficiently. Based on these rules, matters related to the performance of the duties of the Directors and other officers of Company subsidiaries are reported to the Company in a timely and appropriate manner.

In addition, the Company dispatches Directors, or Corporate Auditors to important Company subsidiaries to oversee and audit the performance of the duties of subsidiary Directors and other officers, as necessary. The Company also solicits and duly considers reports from these dispatched officers on matters related to subsidiary business execution.

The General Manager of the Company's Administration Division guides the Company subsidiaries on the maintenance of appropriate internal controls systems.

The Internal Audit Office undertakes internal audits of Company subsidiaries and strives to ensure the efficacy and validity of internal controls related to overall business execution by Company subsidiaries.

(vii) Matters related to employees assigned to assist in the duties of Corporate Auditors at the request of Corporate Auditors

If Corporate Auditors request the assignment of employees to assist in their duties, the Board of Directors shall consult with the Corporate Auditors and appoint employees to assist the Corporate Auditors from the Internal Audit Office and other sections as judged necessary.

- (viii) Matters related to the independence from Directors of employees assisting in the duties of Corporate Auditors and measures to ensure the efficacy of instructions to such employees

Employees appointed to assist in the duties of Corporate Auditors act under the command and instruction of Corporate Auditors. For the time that they provide such assistance, they are entirely free of constraints that may be imposed by orders or instructions from Directors or other parties other than Corporate Auditors. To ensure their independence from any party (including Directors) other than Corporate Auditors, all decisions concerning transfers, personnel evaluations, rewards or penalties, or other matters involving employees providing assistance in the duties of Corporate Auditors must be made in consultation with the Corporate Auditors.

- (ix) Systems for reporting by Directors and employees to Corporate Auditors and other systems related to reporting to Corporate Auditors

When a Director or employee of the Company or a Company subsidiary has identified a matter deemed important in the process of business execution, he or she must promptly report the details of the matter to the Corporate Auditors. Any Director or employee of the Company or a Company subsidiary from whom a Corporate Auditor demands a report is obligated to provide such a report. A Director or employee of the Company or a Company subsidiary making such a report cannot be dismissed or otherwise treated punitively or at a disadvantage for having made such a report.

A contact point (“whistleblowing hotline” hereinafter) has been established to field consultations, communication, and reports from Directors and employees of the Company and Company subsidiaries, thereby quickly bringing to light any violations and allowing rapid and appropriate response.

The whistleblowing hotline office reports to the Corporate Auditors on the status of reports to the hotline and the status of the response thereto.

The Company and Company subsidiaries must take steps to ensure that all officers and employees are aware of the whistleblowing rules and refrain from dismissing or otherwise treating whistleblowers at a disadvantage in any way.

- (x) Matters concerning other systems for ensuring effective audits by Corporate Auditors, procedures for prepayment or reimbursement of costs incurred in undertaking the duties of Corporate Auditors, and policies on handling of costs or debts incurred therein

Corporate Auditors shall not be constrained by other parties in the performance of their duties. They shall be authorized to form their own independent opinions regarding the propriety of actions taken by Company and subsidiary Directors in their duties and their compliance with laws, regulations, and the Articles of Incorporation.

To ensure this independence and authority, the Corporate Auditor Auditing Standards shall clearly indicate the scope of authority granted to Corporate Auditors, including the authority to enlist the full support of the Internal Audit Office, accounting auditor(s), and other parties as the Corporate Auditors deem necessary for the efficacy of auditing.

As necessary for the performance of their duties, Corporate Auditors may, at Company expense, resort to the services of legal and accounting experts. The Company or Company subsidiary shall promptly pay invoices for the necessary expenses incurred by the Corporate Auditors in their duties unless the expenses are clearly not essential to such duties.

- (xi) Systems for ensuring the propriety of financial reporting

The Company and its consolidated subsidiaries and equity method affiliates shall comply with in-house rules, accounting standards, and applicable laws and regulations and maintain internal systems to ensure the reliability of financial reporting and respond appropriately to the internal controls reporting system established by the Financial Instruments and Exchange Act. Likewise, the Company and its consolidated subsidiaries and equity method affiliates shall take steps to ensure all officers and employees fully grasp these internal systems and promote their awareness of compliance; and periodically assess the efficacy thereof.

(xii) Basic outlook on eliminating the influence of interactions with antisocial forces and the status of related measures

The Company's Declaration on Eliminating the Influence of Antisocial Forces calls for the exclusion of all relations with antisocial forces, including measures to assess new counterparties before engaging in transactions, to prevent interactions with antisocial forces or parties associated with antisocial forces.

It has also formulated a Manual for Responding to Antisocial Forces to prepare the Company and its subsidiaries to respond to any contact by antisocial forces. Under this system, the Administration Division is assigned a vital role in these responses and appropriate measures are taken through prompt consultation, as necessary, with legal advisors, law enforcement agencies, and the National Center for Removal of Criminal Organizations.

B. Status of maintenance of risk management systems

The Risk Management Committee plays a vital role in maintaining the Company's risk management and compliance systems. The Committee's membership consists of executive officers and other officers. Corporate Auditors shall participate in all Committee meetings. The Committee's responsibilities include strengthening and promoting awareness of compliance among officers and employees, fielding reports on matters such as violations of laws and regulations and investigating the facts of such matters. Its activities are based on subcommittees in charge of specific themes. The Committee also holds monthly meetings to allow reporting and discussion on various matters, including whistleblowing reports, if any; countermeasures in the event of contact with antisocial forces; the state of compliance with labor laws and regulations and compliance-related matters generally; matters related to risk management; matters related to timely disclosure; and the status of internal controls. In addition, in accordance with the principles of the Whistleblower Protection Act, the Company has established a whistleblowing system ("corporate ethics hotline" hereinafter) to ensure thorough compliance. Company employees can use this system to report on actual or potential legal or regulatory violations, as stipulated in the Whistleblower Protection Act, and other serious compliance violations or other whistleblowing targets to outside attorneys or the corporate ethics hotline staff. In addition to responding appropriately to protect whistleblowers, information received, and other matters are reported via the ethics hotline staff to the Risk Management Committee and requisite corrective measures taken.

In addition, ethics rules have been established with which all Company officers and employees are required to comply. Efforts are underway to promote and raise awareness of these rules, which pertain to matters such as respect for human rights, consideration for the natural environment, fair transactions, prohibition of entertainment and gifts beyond socially acceptable norms, and information management. Specific efforts to ensure compliance include measures to assess compliance with laws and regulations that bear directly on Company business, including the Act on the Protection of Personal Information, the Act against Unjustifiable Premiums and Misleading Representations, and the Act on Specified Commercial Transactions, as well as measures to promote, through annual compliance training for all employees, training for new hires, and other measures, knowledge and understanding of laws and regulations.

C. Status of systems to ensure the propriety of subsidiary business operations

The General Manager of the Management Planning Division guides subsidiaries, affiliates, and other units within the Group on maintaining appropriate internal controls systems.

The Internal Audit Office ensures that Company subsidiaries, affiliates, and other units within the Group conduct internal audits and maintain effective and valid internal controls for their operations.

D. Specified number of Directors

The Company's Articles of Incorporation specify that the Company shall have up to 11 Directors.

E. Requirements of resolutions on the appointment of Directors

The Company's Articles of Incorporation require that a resolution on the appointment of a Director be approved by a majority of the voting rights present at a meeting attended by shareholders representing at least one-third of shareholder voting rights. They also state that cumulative voting may not be used for a resolution on the appointment of a Director.

F. Requirements of special resolutions for the General Meetings of Shareholders

To facilitate the efficient undertaking of proceedings at the General Meetings of Shareholders, the Company's Articles of Incorporation stipulate that a special resolution as described in Article 309, Paragraph 2 of the Companies Act must be approved by at least two-thirds of the voting rights present at a meeting attended by shareholders representing at least one-third of shareholder voting rights that can be exercised on the resolution. This is intended to ease quorum requirements for special resolutions, thereby streamlining the handling of proceedings at the General Meetings of Shareholders.

G. Authority of the Board of Directors to make decisions on resolutions of General Meetings of Shareholders

a. Decision-making body concerning dividends of surplus

The Company's Articles of Incorporation specify that decisions regarding dividends of surplus and other matters described in the subparagraphs to Article 459, Paragraph 1 of the Companies Act are to be made by the resolution of the Board of Directors, not at General Meetings of Shareholders, except as otherwise provided for by laws or regulations. This is intended to allow the dynamic return of profits to shareholders.

b. Matters related to the interim dividends system

The Company's Articles of Incorporation specify that interim dividends may be paid with a basis date of September 30 each year by the resolution of the Board of Directors under Article 454, Paragraph 5 of the Companies Act. This is intended to allow the dynamic return of profits to shareholders.

c. Acquisition of treasury stock

To enable the dynamic execution of management policies, including financial policies, in response to changing economic conditions, the Company's Articles of Incorporation specify that treasury stock may be acquired by resolution of the Board of Directors under the provisions of Article 165, Paragraph 2 of the Companies Act.

H. Summary of details of agreements limiting liability

Under the provisions of Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation, the Company concludes with Directors (excluding Executive Directors and similar parties) and Corporate Auditors agreements that limit their liability to provide compensation for damages under Article 423, Paragraph 1 of the Companies Act to no more than the total amount under the subparagraphs to Article 425, Paragraph 1 of the Companies Act, conditional on the performance of their duties in good faith and the absence of any gross negligence.

I. Summary of officer liability insurance policies

To secure capable human resources and to avoid discouraging decisive action, the Company has concluded officer liability insurance policies as summarized below. It plans to renew these policies in October 2025.

a. Effective premium rate paid by the insured

The Company pays all insurance premiums, including premiums for special riders. The insured effectively pay no premiums.

b. Summary of insured incidents subject to compensation

These policies, including special riders, cover damages arising from liabilities incurred by insured officers in connection with the performance of their duties or from demands arising from such liabilities. They exclude certain cases, such as cases involving intentional regulatory violations.

(2) Officers

(i) List of officers

Given below is the status of Company officers as of the date of the submission of this Report:

Male: nine officers; female: four officers (30.8 % of officers accounted for by women)

Title	Name	Date of birth	Experience, positions, and responsibility in the Company (Significant concurrent positions)		Term of office	Number of shares of the Company held
President and CEO	Kohey Takashima	August 15, 1973	April 1998 June 2000 June 2011 October 2015 July 2016 July 2018 December 2018 May 2019 October 2019 March 2020 April 2021 June 2021 November 2022 January 2023 October 2023 January 2024 March 2024 May 2024 October 2024 January 2025 April 2025 May 2025	Joined McKinsey & Company Inc. Japan Representative Director, CEO of the Company (current position) Representative Director of Eastern Japan Food Association (current position) Director of Oisix Hong Kong Co., Ltd. (current position) Chairman and Representative Director of Tokushimaru Inc. (current position) Chairman of JAPAN WHEELCHAIR RUGBY FEDERATION Director of Oisix Inc. (current position) Director of Three Limes, Inc. (current position) Director of WELCOME Co., Ltd. (DEAN & DELUCA) (current position) External Director of CARTA HOLDINGS, INC. Vice Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives) Outside Director of Benesse Holdings, Inc. Co-Representative Director, Data for Social Transformation (currently Evidence Studio) (current position) External Director, SHiDAX CORPORATION Representative Director of SEOUKAI (currently PDA Japan Chapter) (current position) Representative Director and Chairman of Niigata Albirex Baseball Club Co., Ltd. (current position) Representative Director of SHIDA Holdings Corporation (now SHiDAX HOLDINGS CORPORATION) (current position) Representative Director and Vice President of SHiDAX CORPORATION (current position) Representative Director of Oisikur Inc. (current position) Director of APAN WHEELCHAIR RUGBY FEDERATION (current position) Outside Director of Benesse Holdings, Inc. Outside Director of Benesse Corporation (current position) Director of KEIZAI DOYUKAI (Japan Association of Corporate Executives) (current position) Representative Director of SHiDAX CONTRACT FOOD SERVICE CORPORATION (current position) Representative Director of SHiDAX FOOD SERVICE CORPORATION (current position) Director of Japan Contract Food Service Association (current position) Director of Japan Medical Kyushoku Association (current position) Trustee of Niigata International Food	*3	4,847,200

Title	Name	Date of birth	Experience, positions, and responsibility in the Company (Significant concurrent positions)	Term of office	Number of shares of the Company held
			Award Foundation (current position)		

Title	Name	Date of birth	Experience, positions, and responsibility in the Company (Significant concurrent positions)	Term of office	Number of shares of the Company held
Director Executive Officer Responsible for BtoB Business Responsible for BtoB Subscription Business Division, Radish Boya Division, Daichi wo Mamoru Kai Division	Yusuke Tsutsumi	March 22, 1978	<p>June 2000 Director of the Company</p> <p>June 2006 Director; Manager of EC Business Department</p> <p>July 2008 Director and Executive Officer; General Manager of Business Division</p> <p>April 2012 Director and Executive Officer; General Manager of EC Business Division</p> <p>April 2017 Director and Executive Officer; General Manager of Alliance/Solution Division</p> <p>October 2017 Director and Executive Officer; General Manager of Solution Business Division</p> <p>July 2018 Director of karabiner.inc (current position)</p> <p>October 2018 Director and Executive Officer of the Company; responsible for Radish Boya e-Commerce Business Division (current position)</p> <p>January 2019 Director and Executive Officer of the Company; responsible for Daichi wo Mamoru Kai Home Delivery Business Division (current position)</p> <p>April 2023 Director and Executive Officer of the Company; responsible for BtoB Business (current position)</p> <p>Responsible for Solution Business Division, etc.</p> <p>Responsible for Innovative Products Business Department</p> <p>January 2024 Director and Executive Officer of the Company; responsible for Quality Assurance Department</p> <p>March 2024 Director, SHIDAX CORPORATION (current position)</p> <p>April 2024 Representative Director of SHiDAX CONTRACT FOOD SERVICE CORPORATION (current position)</p> <p>Representative Director of SHiDAX FOOD SERVICE CORPORATION (current position)</p> <p>Representative Director of SLOGIX CORPORATION (current position)</p> <p>Representative Director of SHiDAX Food Service Hokkaido Corporation (current position)</p> <p>Representative Director of Kokunai Food Service Corporation (current position)</p> <p>Representative Director of Shunsai Corporation (current position)</p> <p>May 2024 General Manager of Solution Business Division of the Company (current position)</p> <p>July 2024 Responsible for BtoB Subscription Business Division of the Company (current position)</p>	*3	720,000



Title	Name	Date of birth	Experience, positions, and responsibility in the Company (Significant concurrent positions)		Term of office	Number of shares of the Company held
Director Executive Officer Responsible for HR Division, Retail Media Business Division, Innovative Products Business Department	Hiroyuki Ozaki	October 14, 1952	April 1975 June 1996 April 2003 September 2006 October 2006 March 2007 July 2008 November 2008 June 2009 April 2015 July 2015 October 2015 April 2016 October 2019 January 2024 March 2024 July 2024 August 2024 April 2025	Joined the Daiei, Inc. General Manager of Product Planning Division General Manager of Human Resources Division Executive Officer Director; In charge of East Japan GMS Business Director; In charge of Sales Joined the Company as Advisor General Manager of General Planning Division Director and Executive Officer; General Manager of General Planning Division Director and Executive Officer; General Manager of Human Resources Planning Division, General Manager of Administration Division Corporate Auditor of Gochimaru Inc. Auditor of Oisix Hong Kong Co., Ltd. Director and Executive Officer; General Manager of Human Resources Planning Division (currently HR Division), the Company Director and Executive Officer responsible for HR Division Director of SHIDA Holdings Corporation (now SHiDAX HOLDINGS CORPORATION) (current position) Director and Executive Officer; General Manager of HR Division of the Company (current position) Director, SHIDAX CORPORATION (current position) Responsible for Corporate Communications Department of the Company (current position) Responsible for Communications Management Responsible for Software Engineering Division of the Company Director of Sustainable Careers Association (current position) Responsible for Retail Media Business Division of the Company (current position) Responsible for Innovative Products Business Department (current position)	*3	86,000

Title	Name	Date of birth	Experience, positions, and responsibility in the Company (Significant concurrent positions)		Term of office	Number of shares of the Company held
Director Executive Officer General Manager, Management Planning Division	Kohei Matsumoto	January 24, 1984	April 2008 July 2014	Joined Oisix Inc. (currently the Company) Executive Officer; Manager of Corporate Planning Office, General Planning Division, the Company	*3	7,400
			October 2015	Executive Officer; General Manager of Corporate Planning Division		
			April 2017	Director of Nihon Agri, Inc. (current position)		
			February 2018	Corporate Auditor of Radish Boya Co., Ltd. (currently the Company)		
			June 2018	Director and Executive Officer; General Manager of Corporate Planning Division (current position)		
			August 2019	CEO of Future Food Fund Inc. (current position)		
			March 2021	Director of Toyoichi Co., Ltd. (current position)		
			September 2021	Outside Director of HiOLI Inc. (current position)		
			January 2022	Director of Future Food Lab Co., Ltd. (current position)		
			July 2022	Outside Director of MiL Inc. (current position)		
			October 2022	Responsible for Administration Division of the Company		
			January 2024	Director, SHIDA Holdings Corporation (now SHiDAX HOLDINGS CORPORATION) (current position)		
Director	Mitsuyo Hanada	August 8, 1948	August 1974	Researcher of Laboratory for Organizational Research and Education, University of Southern California	*3	4,800
			September 1977	Lecturer of Faculty of Sociology, California State University, Los Angeles		
			April 1986	Professor at SANNO University		
			March 1990	Professor of Faculty of Policy Management, Keio University		
			June 2007	External Director of the Company (current position)		
			June 2011	External Director of Mitani Sangyo Co., Ltd. (current position)		
			April 2014	Professor Emeritus of Keio University (current position)		
			April 2014	Representative Director of SFC Forum (current position)		
			April 2014	Representative Director of Corporate University Platform Co., Ltd.		
			May 2017	Representative Director of Career Advisor Council (current position)		

Title	Name	Date of birth	Experience, positions, and responsibility in the Company (Significant concurrent positions)		Term of office	Number of shares of the Company held
Director	Hitoshi Tanaka	January 25, 1963	April 1981 April 1987 July 1988  June 2011 June 2015 May 2018 December 2018 March 2019 June 2021 October 2022 December 2023	Joined Maebashi Shinkin Bank (currently Shinonome Shinkin Bank) Established Jin Products Established JIN Ltd. (currently JINS HOLDINGS Inc.) Founder & CEO (current position) Representative Director of Brand New Day Inc. (currently Feel Good Inc.) External Director of the Company (current position) Representative Director of JINS Japan Co., Ltd. (currently JINS Inc.) Representative Director of Think Lab. Inc. (current position) External Director of BALMUDA Inc. Outside Director of Japan Communications Inc. (current position) Outside Director, Mebuku Ground Inc. (current position) Director of JINS Inc. (current position)	*3	20,000
Director	Junko Watabe	June 27, 1977	April 2000 May 2002 October 2004 April 2014  April 2019  June 2019 April 2020  August 2020 October 2020 March 2025	Joined Dai Nippon Printing Co., Ltd. Joined Impression Co., Ltd. Joined Recruit Co., Ltd. Executive Officer of Recruit Lifestyle Co., Ltd.  Director of Cross-divisional CRM Promotion Office, Recruit Holdings Co., Ltd.  External Director of the Company (current position) Manager of ID Point Product Service Development Department, Recruit Co., Ltd. (current position) Manager of Cross-divisional CRM Department (current position) Manager of Quality Coordination Office (currently Quality Management Office) (current position) External Director of Loyalty Marketing, Inc. (current position) Outside Director of Yuda Milk Co., Ltd. (current position)	*3	—

Title	Name	Date of birth	Experience, positions, and responsibility in the Company (Significant concurrent positions)		Term of office	Number of shares of the Company held
Director	Wakako Sakurai	May 1, 1973	January 2002	Joined Jenne Co., Ltd. (currently ABC Cooking Studio Co., Ltd.)	*3	—
			October 2012	General Manager of Studio Strategy Division		
			April 2013	Executive Vice President		
			July 2013	President and CEO		
			December 2014	Outside Director of DEF ANNIVERSARY Co., Ltd.		
			July 2015	President and CEO of ABC Cooking Studio KOREA Co., Ltd.		
			January 2017	Manager in charge of Alliance, Partner Business Planning Department, NTT DOCOMO, INC.		
			June 2018	External Director of the Company (current position)		
			December 2018	External Director of Toreta, Inc.		
			February 2019	External Director of AI CROSS Inc.		
			February 2020	Director of AI CROSS Inc.		
			January 2021	President and CEO of Plus W, Inc. (current position)		
			April 2021	Representative Director, You Meey K.K. (current position)		
			June 2022	Executive Director/Manager in charge of Alliance, Partner Business Planning Department, NTT DOCOMO, INC.		
			July 2022	Executive Director/Manager of Customer Success Department II, Smart Life Business Company, NTT DOCOMO, INC.		
			May 2023	External Director, NTT DOCOMO Studio & Live Inc. (current position)		
			May 2023	Representative Director and President, Plus W America Inc. (current position)		
			June 2023	Consulting Director for the Council for Sports Ecosystem Promotion (current position)		
			July 2023	Executive Director/General Manager of Entertainment Platform Department, Smart Life Business Company, NTT DOCOMO, INC. (current position)		
			September 2024	President and CEO of Japan National Stadium Entertainment Inc.		
			January 2025	Non-executive Director of Aichi International Arena Co., Ltd. (current position)		
			April 2025	Non-executive Director of Japan National Stadium Entertainment Inc. (current position)		

Title	Name	Date of birth	Experience, positions, and responsibility in the Company (Significant concurrent positions)		Term of office	Number of shares of the Company held
Director	Misato Kowaki	October 23, 1983	April 2006	Involved in launching a new apparel brand “Joias” and concurrently served as press designer	*3	—
			April 2009	Engaged in numerous main projects as fashion editor for the women’s fashion magazine <i>CanCam</i>		
			June 2011	Established her own wedding dress brand “heureux de Misato Kowaki;” worked as a stylist for popular artists; in charge of books and photo books		
			September 2015	Developed “Monotone Storage” in Seven & i Group		
			September 2016	Launched a project of Sanrio for women “TOKYO OTONA KITTY” and appointed as Advisor		
			May 2020	Received the Best Mother Award in Economic Category		
			August 2020	Appointed as Advisor, Female Empowerment Advisor of Sabae City		
			October 2020	Established “MOTHERS Lab,” web platform as Editor in Chief		
			June 2021	External Director of the Company (current position)		
Corporate Auditor (Standing)	Chika Otake	September 4, 1965	April 1990	Joined the Industrial Bank of Japan, Ltd. (currently Mizuho Bank, Ltd.).	*4	—
			August 1999	Joined DeNA (currently DeNA Co., Ltd.); responsible for administration		
			November 2005	Responsible for internal audits at the President’s Office of the company		
			June 2006	Corporate auditor of the company		
			July 2012	Sole proprietor of a business entity supporting startups		
			June 2021	Outside Auditor of the Company (current position)		
Corporate Auditor (non-executive)	Yukihiro Moroe	July 18, 1955	March 1979	Joined Jusco (now AEON CO).	*4	4,800
			November 1985	Joined Nomura Securities Co., Ltd.		
			July 1988	Joined Goldman Sachs Japan Co., Ltd.		
			November 1998	Managing Director of the company		
			August 2008	Representative Director of YUME CAPITAL Co., Ltd. (current position)		
				Representative Director of Itohan Japan Co., Ltd. (current position)		
			June 2009	Outside Corporate Auditor of the Company (current position)		
			June 2011	External Director of IMM FOOD SERVICE INC. (current position)		
			March 2014	External Director of SUMIDA CORPORATION		
			September 2018	External Director of JOYFUL HONDA CO., LTD.		
			November 2021	External Director of Rentio Inc. (current position)		

Title	Name	Date of birth	Experience, positions, and responsibility in the Company (Significant concurrent positions)		Term of office	Number of shares of the Company held
Corporate Auditor (non-executive)	Takashi Kokubo	January 18, 1974	October 2000	Registered as attorney-at-law Joined Nishimura & Partners (currently Nishimura & Asahi)	*4	—
			March 2014	Established Kokubo Law Office		
			January 2017	Audit and Supervisory Committee member of AOI TYO Holdings Inc. (now KANAMEL Inc.)		
			January 2017	External Director of AZoom Co. Ltd. (current position)		
			March 2017	Representative Director of Kokubo Law Office (current position)		
			June 2019	External Director of Nice Corporation (current position)		
			June 2020	Outside Corporate Auditor of the Company (current position)		
			January 2022	Outside Director of xpd Inc.		
			July 2024	Outside Corporate Auditor of FOLIO Holdings Co., Ltd. (current position)		
August 2024	Outside Director of KANAMEL Inc. (current position)					
Corporate Auditor (non-executive)	Kengo Wada	October 28, 1977	October 2000	Joined Asahi & Co. (now KPMG AZSA LLC)	*4	—
			February 2006	Joined GCA Corporation (now Houlihan Lokey, Inc.)		
			February 2015	Representative Director of AIPartners, Inc. (current position)		
			June 2017	Outside Corporate Auditor of ZIGExN Co., Ltd. (current position)		
			July 2017	Outside Corporate Auditor of Alue Co., Ltd. (current position)		
			February 2018	Outside Corporate Auditor of Cloud Ace, Inc. (current position)		
			August 2023	Outside Corporate Auditor of Gunosy Inc. (current position)		
			June 2024	Outside Corporate Auditor of the Company (current position)		
Total					5,690,200	

Notes:

1. Mr. Mitsuyo Hanada, Mr. Hitoshi Tanaka, Ms. Junko Watabe, Ms. Wakako Sakurai, and Ms. Misato Kowaki are External Directors.
2. Ms. Chika Otobe, Mr. Yukihiro Moroe, Mr. Takashi Kokubo, and Mr. Kengo Wada are Outside Corporate Auditors.
3. From appointment on June 25, 2024, until the conclusion of the Regular General Meeting of Shareholders for the final business year ending within one year thereafter
4. From appointment on June 25, 2024, until the conclusion of the Regular General Meeting of Shareholders for the final business year ending within four years thereafter

5. To further empower the Board of Directors, the Company has adopted an executive officer system intended to improve management efficiency by clearly separating the decision-making and business execution oversight functions of the Board of Directors and the business execution functions of individual business divisions.

Title	Roles
Executive Officers	<ul style="list-style-type: none"> <li>Serving as business executive officers, responsible for performance KPI in business domains for which they are responsible or in charge, problem-solving through overall management operations, taking the lead on implementation KPI</li> <li>Responsible for reviewing matters submitted to the Management Committee and reviewing and proposing important management topics</li> </ul>
Specialized Executive	<ul style="list-style-type: none"> <li>Responsible for mission KPI in their sections to which they can contribute through their own specializations</li> <li>Responsible for drawing on their knowledge and networks in their areas of responsibility in support of problem-solving</li> <li>Responsible for reviewing and proposing matters within the Management Committee and at Executive Officer Meetings based on the agendas being considered</li> </ul>

- The Company has 16 Executive Officers: Yusuke Tsutsumi, Hiroyuki Ozaki, Kohei Matsumoto (all three of whom serve concurrently as Directors), Hiroto Yamashita, Misaki Kan, Ayumu Shingu, Shingo Rikimaru, Satoko Fuji, Sonoko Toukairin, Atsushi Komatsu, Ryo Kishimoto, Yoshihiko Tomita, Takanori Aoki, Masaki Nagao, Fumiko Okada, and Tetsuya Nakagawa.
6. The Company has submitted to the Regular General Meeting of Shareholders, scheduled for June 26, 2025, an agenda item (resolution) on the appointment of nine Directors. Should this resolution be approved, the Company's Directors would be as shown above. In this case, the terms of office of Directors would extend up to the conclusion of the Regular General Meeting of Shareholders for the last fiscal year to end within one year after the Directors take office on June 26, 2025. Officer positions, etc. shown herein, include details (positions, etc.) of the resolutions of the Board of Directors meeting to be held immediately after that Regular General Meeting of Shareholders.

## (ii) External Directors

The Company has five External Directors and four Corporate Auditors as of the date of the submission of this Report.

External Director Mitsuyo Hanada engages in oversight and advising based on his extensive insights on corporate management, mainly from the human resource perspective, including HR development, as a professor emeritus of Keio University.

External Director Junko Watabe engages in oversight and advising based on her extensive insights into customer management gained from her career with Recruit Co., Ltd., a major Company shareholder.

External Director Hitoshi Tanaka has served in a lengthy career as Representative Director and President of JINS Inc. and engages in oversight and advising based on his wealth of experience and extensive insights as a manager.

External Director Wakako Sakurai has extensive experience with ABC Cooking Studio Co., Ltd. and offers a wealth of insights into the food-related content business with NTT DOCOMO, INC., a major Company shareholder. She provides wide-ranging advice and perspectives on Company management.

External Director Misato Kowaki has experience in various areas, including freelance planning, consulting, and publishing books relating to lifestyles, including food, clothing, and housing. Based on a consumer perspective, she provides the Company, which is pursuing the creation of new value in fields related to food, with useful advice based on these experiences and insights.

Corporate Auditor Chika Otake strives to enhance the Company's audit systems based on her wide range of insights on management support for various companies, in addition to experience gained as Corporate Auditor and in the administrative and internal audit sections of a company traded on the first section of the stock exchange.

Corporate Auditor Yukihiro Moroe strives to enhance the Company's audit systems based on his specialized knowledge and experience as a securities analyst.

Corporate Auditor Takashi Kokubo strives to enhance the Company's audit systems based on his specialized knowledge and experience as an attorney at law.

Corporate Auditor Kengo Wada strives to enhance the Company's audit systems based on his specialized knowledge and experience as a certified public accountant.

External Director Mitsuyo Hanada and Corporate Auditor Yukihiro Moroe each own 4,800 shares of Company stock, while External Director Hitoshi Tanaka owns 20,000 shares of Company stock. No other human, capital, or transactional relationships or other special interests exist between the Company and its External Directors and Corporate Auditors.

While the Company has not established clear standards or policies on independence in the selection of External Directors and Corporate Auditors, the Company refers to the independence criteria established by the Tokyo Stock Exchange. On that basis, the Company has determined that each External Director and Corporate Auditor can exercise the appropriate oversight or audit activities based on his or her insights and specialized knowledge.

- (iii) Cooperation between oversight or auditing by the External Directors or Corporate Auditors and internal audit sections, Corporate Auditors, and accounting auditors and their relationship to internal controls sections

Each of the five External Directors strives to improve the efficiency and efficacy of procedures based on the exchange of opinions with management planning sections, HR planning sections, and administrative sections.

In addition, see “(3) Auditing” below concerning cooperation among internal auditing by the four Corporate Auditors, Corporate Auditor, and accounting auditor and their relationship to internal controls sections.



### (3) Auditing

#### (i) Corporate Auditor auditing

##### a. Organization and personnel

The Board of Auditors was established in June 2007 to enhance the Company's audit functions. The Board of Auditors consists of four Corporate Auditors (one Standing Corporate Auditor and three Non-executive Corporate Auditors). All Corporate Auditors meet the requirements for Independent Officers and Corporate Auditors.

The following Skills Matrix presents the qualities and skills (e.g., specializations, experience, discernment) of individual Corporate Auditors. The Corporate Auditors carry out practical and effective audits of the performance of the duties of the Directors based on their varied and diverse insights and perspectives.

#### Officer's skills matrix

Notable skills are indicated by ●

Properties								Specialization, experience, knowledge						
Name	Independence	Independent officer	Nomination and Remuneration Committee	Age	Gender	Duties, properties, qualifications	Term of office	Corporate management	Business operation	Sales, marketing, product planning	ESG	Governance, compliance	Financial accounting, investment, markets	Organization, HR
Chika Otobe	●	●	(*)	59	Female	Management consulting	4				●	●		●
Yukihiro Moroe	●	●		69	Male	Investment business management	16	●			●		●	
Takashi Kokubo	●	●		51	Male	Attorney	5				●	●	●	
Kengo Wada	●	●		47	Male	Certified public accountant	1		●			●	●	

\* The Nomination and Compensation Committee consists of three Directors: Mitsuyo Hanada, Hitoshi Tanaka, and Kohey Takashima. No Corporate Auditors are members. The Board of Auditors audits recommendations by the Committee and Directors' decisions based on these recommendations.

#### Addendum to the Officers' Skills Matrix

Chika Otobe	As a founding member of a tech startup, she established its administrative and internal audit functions and guided its growth and IPO, eventually gaining an appointment as Corporate Auditor. Subsequently, drawing on the experience gained thereby, she provided support services for corporate management, with a focus on startups. She offers a wealth of understanding of both the auditor and auditee sides in companies of varying types and scales. She provides practical and effective audit services.
Yukihiro Moroe	He has abundant knowledge of finance and accounting from the perspectives of corporate management, outside analysts, and the markets in the retail and distribution fields as well as the investment business and capital markets. Based on this background, he serves as an outside officer with multiple firms. He is ideally positioned to provide practical and effective audit services from an objective perspective based on an understanding of the vicissitudes and actual conditions of the Company as an auditor since its listing on the Tokyo Stock Exchange.
Takashi Kokubo	He offers extensive experience in corporate law as an attorney-at-law who launched his own law office after serving with a major law office. He also offers a wealth of knowledge of finance and accounting gained in managing an investment firm and serving as an outside director and corporate auditor with multiple companies. He is ideally equipped to provide practical and effective audit services based on these insights and experience.
Kengo Wada	As a certified public accountant, he accumulated abundant experience and insights concerning accounting. In addition to this advanced specialized knowledge, he has been involved in diverse business sectors involving mergers and acquisitions, investment, and financing operations. He is ideally equipped to provide practical and effective audit services based on his wealth of knowledge of finance and accounting, amassed through a career that includes serving as an external auditor for multiple firms.

b. Activities of the Board of Auditors

In accordance with audit plans and audit policies\* determined by the Board of Auditors, each Corporate Auditor carries out business audits and accounting audits by attending meetings of the Board of Directors and other important meetings, exchanging opinions with Directors, performing on-site audits of important business sites, reviewing important approval documents and other materials, and cooperating with the accounting auditor and the Internal Audit Office.

Important meetings attended by Corporate Auditors include meetings of the Management Committee, Executive Officer Meetings, and meetings of the Risk Management Committee. In addition to attending regular weekly meetings of each of these bodies, they attend monthly general meetings of the Risk Management Committee to check on the implementation and operational status of risk management systems.

On-site audits of business sites involve attending stock-taking and participating in on-site inspection at important logistics and manufacturing facilities.

Corporate Auditors also interview individual sections based on annual plans to ascertain the state of operations overall.

In cooperating with internal audit sections, they hold regular weekly meetings to check on the maintenance of internal controls and the state of their operation.

\* Audit policy

The basic policy consists of items (1) – (6) below.

1. Basic policy

By auditing the performance of the duties of the Directors in line with the Corporate Auditor Auditing Standards, Company Corporate Auditors help establish a sound corporate governance system worthy of the trust of society, and thereby realize the corporate philosophy and create corporate value over the medium to long term to achieve sustained growth.

- (1) Ensuring the soundness of the Company through preventive audits
- (2) Audits focusing on management decision-making processes
- (3) Audits of the maintenance and operational status of internal controls systems
- (4) Formulation and declaration of the opinions of the Board of Auditors
- (5) Handling audits of the Group from the perspective of consolidated management
- (6) Enhancing audit systems through joint efforts with the accounting auditor and internal accounting sections

c. Management of the Board of Auditors

In addition to regular meetings (each lasting about one hour), held monthly in principle, the Board of Auditors holds extraordinary meetings, as necessary. It discusses and makes decisions on matters related to audits, based on the rules of the Board of Auditors. Corporate Auditors also attend meetings of the Board of Directors and review matters such as the state of the performance of the duties of the Directors and resolutions of the Board of Directors.

Attendance by individual Corporate Auditors in meetings of the Board of Auditors and the Board of Directors during the business year under review is shown below.

Name	Board of Auditors meetings held/attended (extraordinary meetings)	(Ref.) Board of Directors meetings held/attended	Content of statements
Chika Otohe	16/16 (4/4)	12/12	Made statements as appropriate based on extensive knowledge and experience concerning administrative and audit sections at various companies.
Yukihiro Moroe	16/16 (4/4)	12/12	Made statements as appropriate based on extensive knowledge and experience centered on corporate management and investment markets.
Takashi Kokubo	16/16 (4/4)	12/12	Made statements as appropriate based on extensive knowledge and experience in posts including work as an attorney at law and as outside director and corporate auditor with other companies.
Kengo Wada	13/13 (3/3)	10/10	Made statements as appropriate based on extensive knowledge and experience in posts including work as a certified public accountant and as outside director and corporate auditor with other companies.

Note: In addition to the above meetings, the Board of Directors has passed four resolutions in writing.

d. Activities of the Board of Auditors

Shown below are key matters resolved by, consulted on, and reported to the Board of Auditors.

(Regular Board of Auditors meetings)

Resolutions (13 matters)	Audit policy, audit plans, and division of responsibilities, appointment of Corporate Auditors and Specified Corporate Auditors, Board of Auditors audit reports, reappointment of the accounting auditor, consent to audit remuneration for the accounting auditor, etc.
Consultation and reporting (25 matters)	Exchange of opinions on proposed resolutions of the Board of Directors; consulting on the accounting auditor's proposed audit policy and audit plans, the Board of Auditors' proposed audit reports, and confirmation of proposed General Meeting of Shareholders resolutions; status of risk management; quarterly reports on internal audits; status of Group management execution and internal controls at subsidiaries, etc.

In addition to the above, opinions were exchanged on four matters not on the agenda, such as investigation of improper accounting at SLOGIX CORPORATION.

(Extraordinary Board of Auditors meetings)

Four meetings were held during the fiscal year to review quarterly accounts provided by the accounting auditor of the details of accounting audits and to check on and discuss key audit matters (KAMs), among other subjects.

(ii) Status of internal audits

Undertaken in accordance with internal audit rules, the Company's internal audits are intended to objectively investigate and assess the actual facts of business operations and financial management in all of the Company's sections once a year in principle, based on generally accepted auditing principles, and to offer opinions and advice on measures to individual sections, thereby contributing to streamlined management and improved business efficiency.

The Company's Internal Audit Office oversees internal audits. Its four-person staff have the right to be granted assistance by appropriate internal personnel as necessary in line with internal audit rules.

The details, results, and other matters concerning internal auditing activities are reported to the Board of Directors. Cooperation between internal auditors and Corporate Auditors or the accounting auditor proceeds as follows:

Auditors regularly exchange information with Corporate Auditors concerning matters such as the status of the internal audit. They also report quarterly to the Board of Auditors on the status of the audit.

Exchange of information and opinions with the accounting auditor occurs through various activities, including attendance and exchange of information at quarterly meetings held by the accounting auditor to report to the Corporate Auditors on the specifics of accounting audit activities and the exchange of opinions at other times as needed regarding audit concerns, future topics, etc.

(iii) Status of accounting audits

a. Name of accounting auditor

Deloitte Touche Tohmatsu LLC

b. Period of continuous auditing

18 years

c. CPAs involved in audit

Koichi Yano, Engagement Partner

Mitsuyasu Nakagiri, Engagement Partner

Kenji Oyama, Engagement Partner

d. Assisting staff in audit operations

20 CPAs, 26 other staff members

e. Policy on and reasons for selecting the audit firm

The Company's policy on the selection of accounting auditors calls for a comprehensive judgment based on consideration of matters such as the professional networks and company scale capable of efficiently auditing the Company's wide range of business lines, status of review systems, the suitability and efficacy of the audit plans, practical audit guidelines, reasonable and appropriate audit costs, and auditing track record. Deloitte Touche Tohmatsu LLC meets all these conditions.

f. Assessment of the audit firm by the Corporate Auditors and the Board of Auditors

The Company Board of Auditors has assessed Deloitte Touche Tohmatsu LLC and found that its accounting auditing is conducted properly.

Reappointment of the accounting auditor is subject to a resolution of the Board of Auditors, which includes overall evaluation based on the Implementation Guidelines for Corporate Auditors and Others Regarding Formulation of Evaluation and Selection Standards for Accounting Auditors, published by the Japan Audit & Supervisory Board Members Association.

(iv) Audit remuneration details

a. Remuneration of CPA auditors and other such parties

Category	Previous consolidated fiscal year		This consolidated fiscal year	
	Remuneration based on audit certification operations (million yen)	Remuneration based on non-audit operations (million yen)	Remuneration based on audit certification operations (million yen)	Remuneration based on non-audit operations (million yen)
Reporting Company	83	—	180	—
Consolidated subsidiaries	6	—	73	3
Total	89	—	254	3

Note: Details of non-audit operations for consolidated subsidiaries consist of investigation of specific topics.

b. Remuneration of organizations belonging to the same network as the CPA auditors (excluding remuneration under the above)

Category	Previous consolidated fiscal year		This consolidated fiscal year	
	Remuneration based on audit certification operations (million yen)	Remuneration based on non-audit operations (million yen)	Remuneration based on audit certification operations (million yen)	Remuneration based on non-audit operations (million yen)
Reporting Company	—	—	—	—
Consolidated subsidiaries	—	—	—	—
Total	—	—	—	—

c. Details of remuneration based on other important audit certification operations

(Previous consolidated fiscal year)

The Company's consolidated subsidiary SHIDAX CORPORATION paid remuneration to KPMG AZSA LLC based on audit certification operations.

(This consolidated fiscal year)

Not applicable

d. Policy on decisions on audit remuneration

The Company's policy on decisions concerning audit remuneration for CPA auditors and other such parties calls for a consideration of matters such as the audit plans, audit details, and number of days required for the audit as proposed by Deloitte Touche Tohmatsu LLC; consultations between the Company and the audit firm; and the consent of the Board of Auditors.

e. Reasons for the Board of Auditors' consent to remuneration of the accounting auditor

The Company's Board of Auditors has granted consent pursuant to Article 399, Paragraph 1 of the Companies Act to the remuneration, etc. of the accounting auditor proposed by the Board of Directors because it has judged the specifics of the audit plan proposed by Deloitte Touche Tohmatsu LLC, its performance of accounting audit duties, its remuneration estimates, and other matters to be appropriate in light of the specifics and scale of the Company's businesses.

(4) Officer remuneration

(i) Policy on decisions related to details of individual Directors' remuneration

This policy was determined by the Board of Directors at its February 25, 2021, meeting and revised as necessary following the establishment of the Nomination and Compensation Committee by the Board on May 26, 2022.

Policy on decisions related to details of individual Directors' remuneration

1. Basic policy

The basic policy on remuneration for Company Directors calls for consideration of factors such as the responsibilities and performance of each Director, with the goal of incentivizing actions that increase corporate value.

Specifically, only fixed remuneration is paid, determined based on position, duties, results in each period, and levels at other companies.

2. Policy on decisions concerning base remuneration for individual Directors (monetary remuneration) (Including policy on decisions concerning the timing or conditions of providing remuneration, etc.)

Decisions concerning base remuneration for Company Directors are based on consideration of several factors, including position, duties, and the results for each period, within the scope of the total amount determined at the General Meeting of Shareholders, as fixed monthly pay.

3. Matters concerning the decision on the details of remuneration, etc. for each director

Decisions concerning the details of remuneration amounts for individual Directors shall be made by the President and CEO based on a Board of Directors resolution. This authorization sets amounts of base remuneration.

To exercise this authority of the President and CEO appropriately, Representative Director shall make decisions based on deliberations at the Nomination and Compensation Committee.

(ii) Matters related to the delegation of decisions concerning details of remuneration for individual Directors

President and CEO Kohey Takashima makes decisions concerning the specific details of remuneration amounts for individual Directors of the Company based on a Board of Directors resolution delegating such authority.

The scope of this authority involves the preparation of preliminary figures and determining remuneration based on recommendations at the Nomination and Compensation Committee.

This authority is delegated to Representative Director Kohey Takashima because he, as founder, can be expected to ascertain and understand the Company's businesses, human resources, and organization as a whole and to make objective decisions in light of his other duties including serving as an outside director of other companies and as a director of various associations.

(iii) Reasons why the Board of Directors has determined that the details of remuneration for individual Directors conform to the decision policy

After the President and CEO decides on remuneration for individual Directors based on the recommendations of the Nomination and Compensation Committee, the decisions are reported to the Board of Directors to confirm that the particulars conform to the above decision policy.

(iv) Total amounts of remuneration by officer category, total amounts by remuneration type, and number of eligible officers

Officer category	Total amount of remuneration (million yen)	Total amount by remuneration type (million yen)			Number of eligible officers
		Fixed remuneration	Performance-linked remuneration	Retirement benefits	
Directors (excluding External Directors)	174	174	—	—	4
Corporate Auditors	—	—	—	—	—
External officers	55	55	—	—	8

\* The General Meeting of Shareholders passed a resolution on Company officer remuneration and related matters on June 21, 2012.

This resolution specifies the maximum (annual) remuneration of 300 million yen for Directors and 60 million yen for Corporate Auditors.

(v) Total amounts of remuneration for people for whom such amounts are equal to or greater than 100 million yen

Omitted because no person earns total amounts of remuneration equal to or greater than 100 million yen.

(vi) Important employee salaries of officers serving concurrently as employees

No material matters to report.

(5) Shareholdings

(i) Standards and outlook on categories of investment shares

The Company Group's investment shares into the categories of investment shares held purely for investment purposes and investment shares held for other than purely investment purposes by assigning investments intended to receive gains from fluctuations in share prices or dividends on shares into the former category and others into the latter category.

(ii) Investment shares held for other than purely investment purposes

a. Policy on shareholdings, methods of verifying the reasonability of shareholdings, and details of verification by the Board of Directors or others of whether to hold individual issues

The Company holds shares of stock in other companies as it judges necessary as part of its management strategies on business alliances and other matters and to develop positive relations with trading partners and facilitate smooth business operations.

The Company Board of Directors regularly verifies the meaning and reasonableness of the purposes of holding individual issues and the benefits gained from such holdings. As necessary, it considers measures such as the sale of shares that do not contribute to corporate value over the medium to long term.

b. Number of issues and total amount recorded on the balance sheet

	Number of issues	Total amount recorded on balance sheet (million yen)
Unlisted shares	18	247
Shares other than unlisted shares	1	505

(Issues for which the number of shares increased during the business year)

	Number of issues	Total acquisition price of increase in number of shares (million yen)	Reason for increase in number of shares
Unlisted shares	2	5	Conversion from equity method affiliates to investment securities and from subscription rights to shares to common stock
Shares other than unlisted shares	—	—	—

(Issues for which the number of shares decreased during the business year)

	Number of issues	Total sale price for shares sold (million yen)
Unlisted shares	—	—
Shares other than unlisted shares	—	—

- c. Number of shares by issue, total amount recorded on the balance sheet for specified investment shares and imputed shareholdings

Specified investment shares

Issue	Current business year	Previous business year	Purpose of holding, summary of business alliance, quantitative effects of holding, and reason for increase in shares	Does the issuer hold shares in the Company?
	Shares	Shares		
	Total amount recorded on balance sheet (million yen)	Total amount recorded on balance sheet (million yen)		
AP HOLDINGS CO., LTD.	562,100	562,100	The Company has concluded with the issuer an agreement concerning a business alliance intended for purposes such as enhancing purchasing functions for sustainable unused fish and other marine resources. The issuer and the Company jointly manage Toyosu Gyosho Sanchoku Ichiba Co., Ltd., which purchases seafoods directly from producers.	N
	505	542		

Note: Quantifying the effects of holding is difficult. The rationale for holding the shares is assessed by the method described under (ii) a above.

(iii) Investment shares held purely for investment purposes

Not applicable



## Section 5. Accounting

### 1. Methods of preparing consolidated and nonconsolidated financial statements

(1) The Company's consolidated financial statements are prepared based on the Regulation on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976).

(2) The Company's nonconsolidated financial statements are prepared based on the Ordinance on the Terminology, Forms, and Preparation Methods of Financial Statements (Ordinance of the Ministry of Finance No. 59 of 1963; "Ordinance on Financial Statements, etc." hereinafter).

As a special company submitting financial statements, the Company prepares its financial statements in accordance with the provisions of Article 127 of the Ordinance on Financial Statements, etc.

### 2. Audit verification

The Company has undergone audit verification by Deloitte Touche Tohmatsu LLC pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of its consolidated financial statements for the consolidated fiscal year from April 1, 2024 through March 31, 2025 and its nonconsolidated financial statements for the business year from April 1, 2024 through March 31, 2025.

### 3. Specific measures to ensure the propriety of consolidated financial statements

The Company takes specific measures to ensure the propriety of the consolidated financial statements. Specifically, to maintain a structure capable of adequately ascertaining the details of accounting standards and other matters and preparing appropriate consolidated financial statements, it maintains membership in the Financial Accounting Standards Foundation (FASF) and strives to collect information through means such as participating in seminars held by the FASF.

# 1. Consolidated financial statements

## (1) Consolidated financial statements

### (i) Consolidated Balance Sheet

(Million yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	*2 29,649	*2 19,155
Notes receivable-trade	*3 57	44
Accounts receivable-trade	24,879	25,938
Merchandise and finished goods	2,207	2,685
Work in process	125	229
Raw materials and supplies	1,376	1,838
Accounts receivable-other	1,553	1,361
Other	1,713	2,240
Allowance for doubtful accounts	(285)	(246)
Total current assets	61,278	53,246
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,667	4,046
Accumulated depreciation	(1,825)	(1,948)
Buildings and structures, net	1,842	2,097
Machinery, equipment and vehicles	5,023	8,192
Accumulated depreciation	(2,548)	(2,800)
Machinery, equipment and vehicles, net	2,475	5,391
Leased assets	22,030	22,065
Accumulated depreciation	(2,576)	(3,830)
Leased assets, net	19,453	18,234
Construction in progress	1,585	0
Other	2,289	2,720
Accumulated depreciation	(1,246)	(1,378)
Other, net	1,043	1,341
Total property, plant and equipment	26,400	27,066
Intangible assets		
Customer-related assets	25,655	24,476
Goodwill	15,225	14,837
Other	3,081	2,813
Total intangible assets	43,963	42,127
Investments and other assets		
Investment securities	*1,2 3,339	*1,2 3,841
Leasehold and guarantee deposits	*2 2,595	*2 2,648
Deferred tax assets	5,132	4,151
Other	*1 1,073	*1 1,559
Allowance for doubtful accounts	(74)	(78)
Total investments and other assets	12,067	12,123
Total non-current assets	82,431	81,317
Total assets	143,709	134,564

(Million yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable–trade	*2 11,159	*2 11,671
Short-term borrowings	*4 15,045	*4 10,095
Current portion of long-term borrowings	*2 2,166	*2 1,884
Lease liabilities	1,270	1,294
Accounts payable–other	15,938	6,906
Accrued expenses	8,924	8,574
Income taxes payable	3,224	797
Contract liabilities	505	499
Provision for bonuses	1,552	1,606
Provision for point card certificates	87	109
Asset retirement obligations	32	–
Other	2,968	2,492
Total current liabilities	62,875	45,933
Non-current liabilities		
Long-term borrowings	*2,4 14,648	*2,4 21,401
Lease liabilities	18,598	17,417
Asset retirement obligations	942	1,316
Deferred tax liabilities	8,911	8,682
Other	331	324
Total non-current liabilities	43,432	49,143
Total liabilities	106,307	95,076
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,995	3,995
Capital surplus	8,021	8,053
Retained earnings	20,364	23,736
Treasury shares	(4,504)	(6,807)
Total shareholders' equity	27,878	28,978
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	245	214
Foreign currency translation adjustment	934	1,188
Total accumulated other comprehensive income	1,179	1,403
Share acquisition rights	38	75
Non-controlling interests	8,306	9,030
Total net assets	37,401	39,487
Total liabilities and net assets	143,709	134,564

## (ii) Consolidated Statement of Income and Comprehensive Income

## Consolidated Statement of Income

(Million yen)

	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025
Net sales	*1 148,408	*1 256,009
Cost of sales	86,555	180,798
Gross profit	61,852	75,210
Selling, general and administrative expenses	*2 56,726	*2 68,345
Operating profit	5,125	6,864
Non-operating income		
Interest income	1	23
Dividend income	4	19
Group regular dividend	11	204
Compensation income	19	21
Investment gain on equity method	—	498
Subsidy income	70	43
Gain on investments in investment partnerships	84	—
Other	62	119
Total non-operating income	255	930
Non-operating expenses		
Interest expenses	236	766
Syndication fee	537	—
Foreign exchange losses	65	24
Investment loss on equity method	24	—
Loss on investments in investment partnerships	—	181
Other	95	260
Total non-operating expenses	960	1,233
Ordinary profit	4,420	6,561
Extraordinary income		
Gain on sale of investment securities	6	—
Gain on step acquisitions	3,447	439
Total extraordinary income	3,453	439
Extraordinary losses		
Executive retirement allowance	1,002	—
Impairment losses	*3 420	*3 221
Loss on valuation of investment securities	53	42
Costs of special investigation	—	177
Total extraordinary losses	1,475	441
Profit before income taxes	6,398	6,559
Income taxes—current	3,259	2,253
Income taxes—deferred	(425)	841
Total income taxes	2,834	3,095
Profit	3,564	3,464
Profit (loss) attributable to non-controlling interests	(544)	(173)
Profit attributable to owners of parent	4,108	3,638

# Consolidated Statement of Comprehensive Income

(Million yen)

	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025
Profit	3,564	3,464
Other comprehensive income		
Valuation difference on available-for-sale securities	(107)	(29)
Foreign currency translation adjustment	(94)	290
Share of other comprehensive income of entities accounted for using equity method	16	(46)
Total other comprehensive income	* (185)	* 215
Comprehensive income	3,378	3,680
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,094	3,854
Comprehensive income attributable to non-controlling interests	(715)	(174)

## (iii) Consolidated Statement of Changes in Shareholders' Equity

Fiscal Year ended March 31, 2024

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	3,995	8,016	16,255	(4,503)	23,764
Changes during the period					
Net income attributable to shareholders of the parent company			4,108		4,108
Acquisition of treasury shares				(0)	(0)
Changes in equity interests due to capital increase of consolidated subsidiaries		4			4
Net changes in items other than shareholders' equity					
Total changes during the period	—	4	4,108	(0)	4,113
Balance at the end of current period	3,995	8,021	20,364	(4,504)	27,878

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of current period	155	677	832	—	1,542	26,140
Changes during the period						
Net income attributable to shareholders of the parent company						4,108
Acquisition of treasury shares						(0)
Changes in equity interests due to capital increase of consolidated subsidiaries						4
Net changes in items other than shareholders' equity	89	256	346	38	6,763	7,148
Total changes during the period	89	256	346	38	6,763	11,261
Balance at the end of current period	245	934	1,179	38	8,306	37,401

Fiscal Year ended March 31, 2025

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	3,995	8,021	20,364	(4,504)	27,878
Changes during the period					
Net income attributable to shareholders of the parent company			3,638		3,638
Decrease due to change in scope of equity method application for equity method affiliates			(265)		(265)
Acquisition of treasury shares				(2,303)	(2,303)
Changes in equity interests due to capital increase of consolidated subsidiaries		31			31
Net changes in items other than shareholders' equity					
Total changes during the period	—	31	3,372	(2,303)	1,100
Balance at the end of current period	3,995	8,053	23,736	(6,807)	28,978

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of current period	245	934	1,179	38	8,306	37,401
Changes during the period						
Net income attributable to shareholders of the parent company						3,638
Decrease due to change in scope of equity method application for equity method affiliates						(265)
Acquisition of treasury shares						(2,303)
Changes in equity interests due to capital increase of consolidated subsidiaries						31
Net changes in items other than shareholders' equity	(30)	254	224	37	723	985
Total changes during the period	(30)	254	224	37	723	2,085
Balance at the end of current period	214	1,188	1,403	75	9,030	39,487

## (iv) Consolidated Statement of Cash Flow

(Million yen)

	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025
Net cash provided by (used in) operating activities		
Profit before income taxes	6,398	6,559
Depreciation	2,614	4,596
Amortization of goodwill	501	1,339
Impairment losses	420	221
Loss (gain) on valuation of investment securities	53	42
Increase (decrease) in allowance for doubtful accounts	35	(34)
Increase (decrease) in provision for bonuses	778	49
Interest and dividend income	(6)	(43)
Dividends income of group term insurance	(11)	(204)
Compensation income	(19)	(21)
Interest expenses	236	766
Syndication fee	537	—
Investment loss (profit) on equity method	24	(498)
Loss (gain) on investments in investment partnerships	(84)	181
Decrease (increase) in trade receivables	363	(1,027)
Decrease (increase) in accounts receivable—other	1,626	193
Decrease (increase) in inventories	45	(857)
Increase (decrease) in trade payables	(648)	413
Loss (gain) on sale of investment securities	(6)	—
Subsidy income	(70)	(43)
Gain on step acquisitions	(3,447)	(439)
Increase (decrease) in accounts payable—other	(1,079)	(1,100)
Increase (decrease) in contract liabilities	(673)	(5)
Increase (decrease) in accrued expenses	858	(416)
Other, net	657	(997)
Subtotal	9,106	8,674
Interest and dividends received	162	98
Interest paid	(237)	(766)
Income taxes paid	(1,358)	(4,574)
Subsidies received	71	43
Proceeds from compensation for damage	19	21
Expenses related to special investigation	(41)	—
Net cash provided by (used in) operating activities	7,722	3,496
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(1,623)	(2,552)
Purchase of intangible assets	(1,159)	(852)
Purchase of investment securities	(997)	(635)
Proceeds from sale of investment securities	369	—
Purchase of shares of subsidiaries and associates	—	(45)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	*2 (7,217)	*2 (8,261)
Payments of leasehold and guarantee deposits	(173)	(163)
Proceeds from refund of leasehold and guarantee deposits	4	94
Payments for asset retirement obligations	—	(33)
Other, net	(18)	0
Net cash provided by (used in) investing activities	(10,815)	(12,451)



(Million yen)

	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	4,984	(4,988)
Proceeds from long-term borrowings	16,201	8,228
Repayments of long-term borrowings	(2,276)	(2,131)
Proceeds from issuance of subscription rights to shares	—	37
Proceeds from share issuance to non-controlling shareholders	562	1,367
Refund from non-controlling interest	(362)	(503)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(5)
Purchase of treasury shares	(0)	(2,311)
Repayments of finance lease obligations	(832)	(1,243)
Commission for syndicate loan	(540)	—
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	17,735	(1,551)
Effect of exchange rate change on cash and cash equivalents	77	21
Net increase (decrease) in cash and cash equivalents	14,720	(10,485)
Cash and cash equivalents at beginning of period	14,720	29,440
Cash and cash equivalents at end of period	*1 29,440	*1 18,955

## Notes

(Important matters serving as a basis for the preparation of the consolidated financial statements)

### 1. Notes on scope of consolidation

#### (1) Number and names of consolidated subsidiaries

Number of consolidated subsidiaries: 37 companies

Names of important consolidated subsidiaries

Three Limes, Inc. (Purple Carrot)

Future Food Fund Inc.

Tokushimaru Inc.

SHIDAX CORPORATION

SHiDAX CONTRACT FOOD SERVICE CORPORATION

SHiDAX FOOD SERVICE CORPORATION

SLOGIX CORPORATION

DAISHINTO Inc.

SHiDAX DAISHINTO HUMAN SERVICE Inc.

HiOLI Inc.

AGRIGATE

nonpi, Inc.

Toyosu Gyosho Sanchoku Ichiba Co., Ltd.

24 other companies

HiOLI Inc. and four other companies are included within the scope of consolidation starting with this consolidated fiscal year because their shares were acquired during this consolidated fiscal year.

#### (2) Names of nonconsolidated subsidiaries

Number of important non-consolidated subsidiaries: 6 companies

Names of important nonconsolidated subsidiaries

Tamano School Meal Service Co., Ltd.

Kunitachi Izumi School Meal Service Co., Ltd.

Nomura School Meal Service Co., Ltd.

Machida Middle School Meal Service Co., Ltd.

Uruma Ishikawa School Meal Service Co., Ltd.

Machida Diversity School Co., Ltd.

(Reasons for exclusion from scope of consolidation)

The nonconsolidated subsidiaries are excluded from the scope of consolidation due to the small scale of their operations and because each of their financial figures, such as total net assets, net sales, net income, and retained earnings (amount equivalent to equity) has no material effect on the consolidated financial statements.

### 2. Notes on application of the equity method

#### (1) Number and names of equity method affiliates

Number of equity method affiliates: 4 companies

Names of important equity method affiliates

Nihon Agri, Inc.

WELCOME Co., Ltd.

Niigata Albirex Baseball Club Co., Ltd.

One other company

Yutori No Kukan Corporation has been removed from the scope of consolidation due to the Group's reduced equity stake.

#### (2) Names of important companies among nonconsolidated subsidiaries and affiliates to which the equity method is not applied

Names of important companies

Tamano School Meal Service Co., Ltd.

Kunitachi Izumi School Meal Service Co., Ltd.

Nomura School Meal Service Co., Ltd.

Machida Middle School Meal Service Co., Ltd.

Uruma Ishikawa School Meal Service Co., Ltd.

Machida Diversity School Co., Ltd.

Funs AP Corp.

SHiDAX Hospitality Management Corporation

Chofu FM Co., Ltd.

e-Kaigo Network Cooperative Association

Ootakanomori PFI Co., Ltd.

Horigane School Meal Service Co., Ltd.  
SHIDAX STAR FESTIVAL CORPORATION

(Reason for not applying the equity method)

Companies, etc. to which the equity method is not applied are excluded from application of the equity method due to lack of materiality because the scale of their operations is small and their net profit/loss after offsetting transactions with consolidated companies (amount equivalent to equity) and retained earnings (amount equivalent to equity) have negligible overall effects on the consolidated financial statements.

(3) Particular notes concerning procedures for application of the equity method

For companies among those to which the equity method applies whose fiscal years end on dates other than the end of the consolidated fiscal year, nonconsolidated financial statements based on provisional settlement of accounts as of the end of the consolidated fiscal year are used in preparation of the consolidated financial statements.

3. Notes concerning the business years of consolidated subsidiaries

Among the consolidated subsidiaries, the fiscal years for Oisix Shanghai Co., Ltd., Oisix Inc., Three Limes, Inc., YOKO Street, INC., Future Food Fund No. 2 investment limited partnership, and HiOLI Inc. end on December 31. The fiscal year for nonpi, Inc. ended on February 28 and that of AGRIGATE on November 30.

In preparing the consolidated financial statements, for Oisix Shanghai Co., Ltd., Oisix Inc., Three Limes, Inc., YOKO Street, INC., HiOLI Inc., and nonpi, Inc., we used the nonconsolidated financial statements as of the date of the settlement of accounts and made the necessary adjustments in the consolidation of accounts for any material transactions arising between that date and the end date of the consolidated fiscal year. For Future Food Fund No. 2 investment limited partnership, the nonconsolidated financial statements based on provisional settlement of accounts as of the end date of the consolidated fiscal year were used. For AGRIGATE, the nonconsolidated financial statements based on provisional settlement of accounts as of the end of February were used; necessary adjustments were made in consolidation of accounts for any material transactions arising between that date and the end date of the consolidated fiscal year.

For other consolidated subsidiaries, the end date of the business year coincides with the end date of the consolidated fiscal year.

4. Notes on accounting policies

(1) Valuation standards and methods for important assets

(i) Securities

Available-for-sale securities

Those other than stocks, etc. with no fair market value

The fair value method is employed. (The entire amount of any difference in valuation is recorded in net assets. Cost of sales is calculated by the moving average method.)

Stocks, etc. with no fair market value

The moving average cost method is employed.

(ii) Inventories

The Company primarily employs the moving average cost method (with amounts on the balance sheet calculated by decreasing book value in accordance with reductions in profitability), the FIFO cost method (with amounts on the balance sheet calculated by decreasing book value in accordance with reductions in profitability), and the gross average cost method (with amounts on the balance sheet calculated by decreasing book value in accordance with reductions in profitability).

(2) Depreciation method for important depreciable assets

(i) Property, plant, and equipment (excluding leased assets)

The straight-line method is employed.

The main useful lives are shown below:

Buildings and structures: 2–29 years

Machinery, equipment, and vehicles: 1–12 years

- (ii) Intangible assets (excluding leased assets)  
 The straight-line method is employed.  
 Software used by the Company is depreciated based on useful life within the Company (up to five years). Customer-related assets are depreciated based on the periods affected by the assets (5–27 years).
- (iii) Leased assets  
 Leased assets related to finance lease transactions involving transfer of ownership:  
 Depreciated by the same method applied to property, plant, and equipment owned by the Company.  
 Leased assets related to finance lease transactions other than those involving transfer of ownership:  
 Depreciated by the straight-line method using the lease period as the useful life and a residual value of zero.
- (3) Accounting for significant allowances and provisions
  - (i) Allowance for doubtful accounts  
 To be prepared for possible losses on doubtful claims, the Company and its consolidated subsidiaries provide for this allowance based on the actual rate of losses from bad debts for general receivables and anticipated amounts unrecoverable based on a case-by-case assessment of recoverability for specific claims, such as those with the potential for default and claims in reorganization.
  - (ii) Provision for loyalty points  
 To provide for the use of points awarded to customers as Action Points based on the loyalty point program intended as a sales promotion measure, the anticipated future usage amount as of the end of the current fiscal is recorded.
  - (iii) Provision for bonuses  
 Certain consolidated subsidiaries record the estimated amount of bonuses paid, to be prepared for payment of bonuses to employees.
- (4) Accounting standards for significant revenues and expenses  
 The Group recognizes revenues in the amounts expected in exchange for the promised goods or services as of the time their control transfers to the customer.  
 The details of main performance obligations and the normal timing of recognition of revenues in main businesses are as described under “(Revenue recognition).”
- (5) Standards for conversion of significant foreign-currency claims and obligations to yen  
 Foreign-currency claims and obligations are converted to yen at spot market exchange rates as of the date of the consolidated settlement of accounts, with any gains or losses on conversion recorded as profit or loss. Assets and liabilities of overseas subsidiaries are converted to yen at spot market exchange rates as of the date of the consolidated settlement of accounts. Revenues and expenses are converted to yen at the average market exchange rate during the period. Any gains or losses on conversion are recorded as foreign currency translation adjustment(s) under net assets.
- (6) Amortization method and period for goodwill  
 Goodwill is amortized by the straight-line method over a period of 4–20 years.
- (7) Scope of funds included on the consolidated statement of cash flows  
 Funds included in the consolidated statement of cash flows consist of cash on hand, demand deposits, and short-term investments with maturities of three months or less from the date of acquisition that can readily be converted to cash and are subject to insignificant risk of fluctuations in value.
- (8) Other important matters related to preparation of the consolidated financial statements  
 Method of processing deferred assets  
 Share issuance costs  
 The entire amount of share issuance costs is recorded as an expense at the time of payment.

#### Application of the group tax sharing system

Some consolidated subsidiaries apply the group tax sharing system, accounting for national and local income taxes or related tax effects and disclosure in accordance with the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (Practical Solution No. 42, August 12, 2021).

(Significant accounting estimates)

Shown below are the accounts that involved particularly significant accounting estimates on the consolidated financial statements.

1. Amortization of goodwill on Three Limes, Inc.

(1) Amount recorded on the consolidated financial statements for the consolidated fiscal year under review

(Million yen)

	Previous consolidated fiscal year	This consolidated fiscal year
Goodwill	615	490

No impairment loss was recognized on the above goodwill during the consolidated fiscal year under review.

(2) Details of significant accounting estimates on the account recognized

(i) Calculating the amount to be recorded on the consolidated financial statements for the consolidated fiscal year under review

The American subsidiary Three Limes, Inc. applies US GAAP. It employs an impairment test for assets that show signs of impairment. Impairment testing is conducted per reporting unit. If the impairment test shows that the fair value of a reported unit is less than its book value, the book value is reduced to the fair value and an impairment loss is recorded in the amount of this reduction.

During the consolidated fiscal year under review, progress toward the results specified in the business plans on which value was calculated during the acquisition and related information were judged to show signs of impairment. However, no impairment loss was recognized because the fair value under the most recent business plans exceeds book value.

(ii) Major assumptions underlying calculations of amounts to be recorded to consolidated financial statements for the consolidated fiscal year under review

Fair value of goodwill is measured based on future discounted cash flows calculated based on business plans and the discount rate. The major assumptions are indicated below.

Major assumption	Details
Projected inflation in the US	Various costs, including those of raw materials, labor, and fuel, are expected to rise.
Expanding the product lineup and increasing the number of products handled	The product sales mix is expected to improve, while the number of units sold per order are projected to increase.
Increase in sales of businesses other than home grocery delivery	Sales of businesses other than home grocery delivery are projected to show increasing number of contracts, in the BtoB business, through sales of frozen foods to the retail business and promotional contracting, including samples of other companies' products.
Control of purchase prices	Price controls are expected to be achieved by concentrating transactions on major vendors and expanding products purchased at annual fixed prices.
Reducing inventory waste	The adoption of an inventory control system and the resulting improvements in inventory management efficiency are expected to rationalize inventory levels and reduce inventory waste.
Reductions in logistics costs (center expenses and delivery costs)	The consolidation of logistics centers is expected to result in purchasing and inventory adjustments and reductions in procurement, delivery, and other work costs and in facilities maintenance costs.
Discount rate	In consideration of the stage of Three Limes, Inc. in the business life cycle, the rate was chosen based on the American Institute of CPAs (AICPA) accounting and valuation guide for startups.

(iii) Impact on consolidated financial statements for the subsequent consolidated fiscal year

Since the assumptions made for these estimates involve uncertainties related to the economic and business conditions under which Three Limes, Inc., there is a possibility that an impairment loss may be recognized in the subsequent consolidated fiscal year if revisions are required.

## 2. Evaluation of goodwill and customer-related assets associated with SHIDAX CORPORATION

### (1) Amount recorded on the consolidated financial statements for the consolidated fiscal year under review

(Million yen)

	Previous consolidated fiscal year	This consolidated fiscal year
Goodwill	13,246	12,539
Customer-related assets	25,655	24,476

No impairment losses were recognized in the consolidated fiscal year under review in connection with the goodwill and customer-related assets above.

### (2) Details of significant accounting estimates on the accounts recognized

#### (i) Calculating the amounts to be recorded on the consolidated financial statements for the consolidated fiscal year under review

The cost of acquisition is allocated based on the fair value of assets acquired and liabilities assumed that may be identified as of the acquisition date, and the difference between the cost of acquisition and allocated amounts is recorded as goodwill.

The valuation model for customer-related assets is the excess-earnings method of the income approach.

#### (ii) Major assumptions underlying calculations of amounts recorded to consolidated financial statements for the consolidated fiscal year under review

Customer-related assets are calculated based on business plans and other considerations. Any differences in amounts are recorded as goodwill. Major assumptions made in these calculations include the rate of sales growth, the rate of decline in the customer base, and inflation.

Major assumptions	Details
Sales growth rate	Projected with consideration for the rate of growth in sales based on actual performance over the past five years.
Rate of decline in the customer base	Projected based on the actual rate of decline in the customer base per business over the past five years. The useful lives of customer-related assets are determined based on the rate of decline in the customer base. The amortization period of goodwill is determined based on consideration for consistency with these useful lives.
Inflation	Estimates incorporate expected cost increases based on the assumption that the costs of raw materials, chiefly food ingredients and consumables, will remain high.

#### (iii) Impact on consolidated financial statements for the subsequent consolidated fiscal year

The valuation of goodwill and customer-related assets and the useful lives or amortization period of these may significantly impact on the consolidated financial statements for the subsequent consolidated fiscal year due to the economic and business conditions under which SHIDAX CORPORATION operates.

## 3. Recoverability of deferred tax assets

### (1) Amount recorded on the consolidated financial statements for the consolidated fiscal year under review

(Million yen)

	Previous consolidated fiscal year	This consolidated fiscal year
Deferred tax assets	5,132	4,151

(2) Details of significant accounting estimates on the account recognized

(i) Calculating the amount to be recorded on the consolidated financial statements for the consolidated fiscal year under review

Deferred tax assets are recognized within the scope of future deductible temporary differences and tax loss carryforwards that appear likely to reduce future tax burdens.

Since certain consolidated subsidiaries use the group tax-sharing system, the recoverability of deferred tax assets is determined based on estimated future amounts of taxable income deduced from past taxable income and the applicable periods of estimation of future taxable income of this group of consolidated subsidiaries.

(ii) Major assumptions underlying calculations of amounts recorded to consolidated financial statements for the consolidated fiscal year under review

Estimates of taxable income are based on future income plans, the major underlying assumption for which is inflation.

Major assumption	Details
Inflation	Estimates incorporate expected cost increases based on the assumption that the costs of raw materials, chiefly food ingredients and consumables, will remain high.

(iii) Impact on consolidated financial statements for the subsequent consolidated fiscal year

While judgments are based on assumptions considered reasonable based on current conditions and information available, there is a possibility that they may be affected by changes in assumptions such as inflation or changes in future economic conditions.

The amount of deferred tax assets on the consolidated financial statements for the subsequent consolidated fiscal year may be significantly impacted in the event of a difference between the actual timing and amounts of future taxable income and their estimates.

(Changes in accounting policies)

The Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan [ASBJ] Statement No. 27, October 28, 2022; “2022 Revised Accounting Standard” hereinafter) and other applicable standards have been applied from the start of the consolidated fiscal year under review.

The provisional handling specified in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the provisional handling specified in the proviso to Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; “2022 Revised Guidance” hereinafter) has been applied for revisions related to income tax accounting classifications (taxation on other comprehensive income). This change in accounting policy has had no material effect on the consolidated financial statements.

For changes related to revised handling in the consolidated financial statements of carryovers for tax purposes of gains/losses on sales arising in connection with the sale of assets such as stock in subsidiaries among consolidated companies, the 2022 Revised Guidance has been applied since the start of the consolidated fiscal year under review. This change in accounting policy was applied retroactively. Consolidated financial statements for the previous consolidated fiscal year reflect this retroactive application. This change has had no material effect on the consolidated financial statements.

(Unapplied accounting standards)

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)

Other related revisions affecting accounting standards, guidance, practical solutions, and transferred guidance



(1) Overview

As part of its efforts to align Japanese accounting standards with international standards, the ASBJ has studied the development of accounting standards for leases recognized as assets and liabilities for all leases of lessees, referring to international accounting standards. While its basic policy is based on the single-lease accounting model of IFRS 16, it chose selective adoption rather than adopting all provisions of IFRS 16, and has published lease accounting standards and related standards intended to be simple and convenient, ensuring that basically no revisions would be necessary when applying the provisions of IFRS 16 to non-consolidated financial statements.

For the purposes of accounting treatment by lessees, the standards call for the cost allocation of such leases by applying a single accounting model of recording depreciation on right-of-use assets and an amount equivalent to interest on lease liabilities for all leases, whether they are finance leases or operating leases. This approach is similar to that set forth in IFRS 16.

(2) Scheduled date of application

To apply from the start of the fiscal year ending March 31, 2028

(3) Impact of application of this accounting standard

The monetary impact of the application of the Accounting Standard for Leases and related standards on consolidated financial statements is currently under review.

(Changes in presentation)

(Consolidated Income Statement)

Group regular dividend, included in other non-operating income in the previous consolidated fiscal year, is presented as a separate line item starting this consolidated fiscal year due to their heightened monetary significance. The consolidated financial statements for the previous consolidated fiscal year have been reclassified to reflect this change in presentation.

As a result, the 74 million yen presented under other non-operating income on the consolidated income statement for the previous consolidated fiscal year has been reclassified as 11 million yen in group regular dividend and 62 million yen in other non-operating income.

(Consolidated Statement of Cash Flows)

Group regular dividend and compensation income, included in other net cash provided by (used in) operating activities in the previous consolidated fiscal year, are presented as separate line items starting this consolidated fiscal year due to their heightened significance. This change is due to a decrease in their monetary significance. The consolidated financial statements for the previous consolidated fiscal year have been reclassified to reflect this change in presentation.

As a result, the 626 million yen presented under other net cash provided by (used in) operating activities on the Consolidated Statement of Cash Flows for the previous consolidated fiscal year has been reclassified as (11 million yen) in group regular dividend, (19 million yen) in compensation income, and 657 million yen in other net cash provided by (used in) operating activities.

(Additional information)

(Regarding inappropriate accounting procedures)

In December 2024, it was discovered that inventory assets had been overstated at the food manufacturing base of SLOGIX CORPORATION (a member company of SHiDAX CORPORATION, all of whose shares are held by SHiDAX HOLDINGS CORPORATION; the Company, in turn, holds 66% of all shares in SHiDAX HOLDINGS CORPORATION, hereinafter referred to as “SLOGIX”). Accordingly, a team from the Company that includes outside experts has investigated the details of the inappropriate accounting procedures, the existence of similar events, the impact on the Company's consolidated financial statements, etc., to investigate and strengthen internal controls. On March 26, 2025, the Company received a report on the results of the investigation from the team. It was discovered that some SLOGIX employees had been reporting excessive inventory balances based on physical inventory counts. Financial results were revised on March 31, 2025, following a careful review of their impact, as determined by an investigation, on the Company's consolidated financial statements for previous years.

Shown below is the impact of the above revisions on the consolidated financial statements.

(Millions of yen)

	FY2023
Cost of sales	12
Operating income	(18)
Ordinary income	(18)
Net income attributable to owners of the parent	(12)
Merchandise and finished goods	(231)
Raw materials and supplies	(218)
Goodwill	431
Net assets	(18)
Total assets	(18)

(Consolidated Balance Sheet)

\*1 The following accounts concern nonconsolidated subsidiaries and affiliates

	Previous consolidated fiscal year (as of March 31, 2024)	Current consolidated fiscal year (as of March 31, 2025)
Investment securities (stock)	757 million yen	1,017 million yen
Other	0	0

\*2 Collateral assets and collateralized liabilities

Assets pledged as collateral are shown below.

	Previous consolidated fiscal year (as of March 31, 2024)	Current consolidated fiscal year (as of March 31, 2025)
Ordinary deposits	107 million yen	1,015 million yen
Time deposits	25	25
Guarantee money	36	36
Total	168	1,076

Note: In addition to the above, shares of stock in affiliates eliminated from the consolidated financial statements (43,832 million yen in the previous consolidated fiscal year and 41,732 million yen in the consolidated fiscal year under review) are pledged as collateral. Also pledged are 5 million yen in shares of stock in affiliates for the debts of Ootakanomori PFI Co., Ltd. and 16 million yen in shares of stock in affiliates for the debts of Horigane School Meal Service Co., Ltd.

Collateralized obligations are shown below.

	Previous consolidated fiscal year (as of March 31, 2024)	Current consolidated fiscal year (as of March 31, 2025)
Accounts payable-trade	25 million yen	21 million yen
Long-term borrowings	16,201	22,575
Total	16,226	22,596

\*3 Notes maturing on the ending date of the period are accounted for through settlement as of the date of clearance.

Since the ending date of the previous consolidated fiscal year was a holiday for financial institutions, the following notes maturing on the ending date of the period are included in the ending balance.

	Previous consolidated fiscal year (as of March 31, 2024)	Current consolidated fiscal year (as of March 31, 2025)
Notes receivable-trade	9 million yen	— million yen

\*4 Commitment line agreements

The Group has concluded current account overdraft agreements with its major financial institutions to allow efficient fundraising. It has also concluded agreements on commitment lines of credit and syndicated loans for the debts of SHiDAX HOLDINGS CORPORATION. Unexecuted balances of loans under these agreements as of the end of the consolidated fiscal year under review are shown below.

	Previous consolidated fiscal year (as of March 31, 2024)	Current consolidated fiscal year (as of March 31, 2025)
Total amount of current account overdraft agreements	29,045 million yen	24,095 million yen
Current account overdraft executed balance	15,045	10,095
Total amount of commitment lines of credit (Note)	4,500	4,500
Executed balance of commitment line of credit	—	—
Total amount of syndicated loans (Note)	24,322	22,575
Executed balance of syndicated loans	16,201	22,575
Unexecuted balance of loans	26,621	18,500

Note: The agreements on commitment lines of credit and syndicated loans are subject to certain restrictive financial clauses.

(Consolidated Income Statement)

\*1 Revenue generated by contracts with customers and other revenues are not presented as separate line items under net sales. See “Notes (Segment information, etc.)” for a breakdown of revenue generated by contracts with customers. Net sales under that note include amounts such as revenues based on the Accounting Standard for Lease Transactions (Accounting Standards Board of Japan [ASBJ] Statement No. 13), in addition to revenues arising from contracts with customers.

\*2 Shown below are the key items included in selling, general, and administrative expenses and their amounts.

	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025
Packing and shipping expenses	14,111 million yen	13,223 million yen
Salaries and allowances	7,636	12,362
Sales promotion expenses	9,003	8,648
Outsourcing expenses	5,666	5,521
Expenses associated with retirement benefits	103	163
Provision for bonuses	325	661
Provision for allowance for doubtful accounts	244	199
Provision for loyalty points	78	80

\*3 Impairment loss

Previous consolidated fiscal year (April 1, 2023 – March 31, 2024)

Business type	Location	Use	Type	Amount (million yen)
BtoC Subscription Business	US	—	Goodwill	372
BtoB Subscription Business	Hokkaido	Stores	Other	1
	Kanto	Stores	Buildings and structures	0
	Kanto	Stores	Other	0
	Kyushu	Stores	Other	1
Social Services Business	Hokkaido	Stores, etc.	Other	0
	Kanto	Stores, etc.	Buildings and structures	0
	Kanto	Stores, etc.	Other	4
	Chubu	Stores, etc.	Other	0
	Kinki	Stores, etc.	Other	0
	Chugoku	Stores, etc.	Other	0
	Kyushu	Stores, etc.	Other	0
Vehicle Operation Services Business	Chubu	Stores, etc.	Machinery, equipment, and vehicles	4
	Chubu	Stores, etc.	Other	0
	Kinki	Stores, etc.	Other	0
	Kyushu	Stores, etc.	Machinery, equipment, and vehicles	5
	Kyushu	Stores, etc.	Other	1
Other Businesses	Chubu	Real estate for leasing	Buildings and structures	8
	Chubu	Real estate for leasing	Other	6
	Chubu	Real estate for leasing	Other	0
	Kanto	Assets for business use in overseas businesses (Hong Kong)	Other	12
Total				420

Group assets are classified based on the assumption that business units are the smallest units that generate cash flows.

Thus, the Group has reduced the book value of assets for which the recoverable value is less than the book value to the recoverable value and recorded the resulting reduction under extraordinary losses as an impairment loss (420 million yen). Recoverable value is measured by value in use. Since the value of future cash flow is negative, the recoverable value is estimated to be zero.

Consolidated fiscal year under review (April 1, 2024 – March 31, 2025)

Business type	Location	Use	Type	Amount (million yen)
BtoB Subscription Business	Hokkaido	Stores	Other	0
	Tohoku	Stores	Other	1
	Kanto	Stores	Buildings and structures	0
	Kanto	Stores	Other	3
	Kanto	Business assets	Other	30
	Chubu	Stores	Other	1
	Kinki	Stores	Buildings and structures	0
	Kinki	Stores	Other	0
	Kyushu	Stores	Other	0
Vehicle Operation Services Business	Tohoku	Stores, etc.	Buildings and structures	1
	Tohoku	Stores, etc.	Vehicles	16
	Tohoku	Stores, etc.	Other	3
	Chubu	Stores, etc.	Vehicles	7
	Kyushu	Stores, etc.	Buildings and structures	35
	Kyushu	Stores, etc.	Other	0
Other Businesses	Kanto	Business assets of overseas businesses (Hong Kong)	Other	6
	Kanto	—	Goodwill	111
Total				221

Group assets are classified based on business units, the smallest units that generate cash flows.

As a result, the Group has reduced to the recoverable value the book value of assets, for which the recoverable value is less than the book value due to reduced profitability, recording the resulting reduction under extraordinary losses as an impairment loss (221 million yen). Recoverable value is measured by value in use. Since the valuation of future cash flow is negative, the recoverable value is estimated to be zero.

## (Consolidated Statement of Comprehensive Income)

\* Reclassification adjustment amounts, income tax, and tax effect amounts related to other comprehensive income

	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025
Valuation difference on available-for-sale securities:		
Amount arising during period	(479) million yen	(82) million yen
Reclassification adjustment amount	412	42
Before income tax and tax effect adjustments	(66)	(39)
Income tax and tax effect amount	(40)	10
Valuation difference on available-for-sale securities	(107)	(29)
Foreign currency translation adjustment(s):		
Amount arising during period	(94)	290
Share of other comprehensive income of entities accounted for by the equity method:		
Amount arising during period	16	(21)
Reclassification adjustment amount	—	(24)
Share of other comprehensive income of entities accounted for by the equity method	16	(46)
Total other comprehensive income	(185)	215

## (Consolidated Statement of Changes in Shareholders' Equity)

Previous consolidated fiscal year (April 1, 2023 – March 31, 2024)

## 1. Classes and total number of shares outstanding, and classes and number of shares of treasury stock

	Starting number of shares for the consolidated fiscal year	Increase in number of shares during the consolidated fiscal year	Decrease in number of shares during the consolidated fiscal year	Ending number of shares for the consolidated fiscal year
Shares outstanding				
Common stock	38,028,092	—	—	38,028,092
Total	38,028,092	—	—	38,028,092
Treasury stock				
Common stock (Note)	1,469,994	136	—	1,470,130
Total	1,469,994	136	—	1,470,130

Note: The increase of 136 shares in number of shares of common stock held as treasury stock is due to purchase of the shares in less than the minimum trading unit.

## 2. Stock warrants and treasury stock warrants

Category	Breakdown of stock warrants	Category of stock subject to stock warrants	Number of shares subject to stock warrants				Ending balance for the consolidated fiscal year (million yen)
			Start of consolidated fiscal year	Increase in consolidated fiscal year	Decrease in consolidated fiscal year	End of consolidated fiscal year	
Consolidated subsidiaries	Stock warrants as stock options	—	—	—	—	—	38
Total		—	—	—	—	—	38



### 3. Dividends

Not applicable

Consolidated fiscal year under review (April 1, 2024 – March 31, 2025)

#### 1. Classes and total number of shares outstanding, and classes and number of shares of treasury stock

	Starting number of shares for the consolidated fiscal year	Increase in number of shares during the consolidated fiscal year	Decrease in number of shares during the consolidated fiscal year	Ending number of shares for the consolidated fiscal year
Shares outstanding				
Common stock	38,028,092	–	–	38,028,092
Total	38,028,092	–	–	38,028,092
Treasury stock				
Common stock (Note)	1,470,130	1,825,044	–	3,295,174
Total	1,470,130	1,825,044	–	3,295,174

Note: The increase of 1,825,044 shares in number of shares of common stock held as treasury stock is due to an increase of 1,825,000 shares in treasury stock under a Board of Directors resolution and the purchase of the 44 shares in less than the minimum trading unit.

#### 2. Stock warrants and treasury stock warrants

Category	Breakdown of stock warrants	Category of stock subject to stock warrants	Number of shares subject to stock warrants				Ending balance for the consolidated fiscal year (million yen)
			Start of consolidated fiscal year	Increase in consolidated fiscal year	Decrease in consolidated fiscal year	End of consolidated fiscal year	
Consolidated subsidiaries	Stock warrants as stock options	–	–	–	–	–	75
Total		–	–	–	–	–	75

### 3. Dividends

Not applicable

(Consolidated Statement of Cash Flow)

\*1 Ending balances of cash and cash equivalents and relationship to amounts of accounts on the consolidated balance sheet

	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025
Cash and deposits	29,649 million yen	19,155 million yen
Time deposits with deposit terms of more than three months	(208)	(200)
Cash and cash equivalents	29,440	18,955

\*2 Main breakdown of assets and liabilities of companies made new consolidated subsidiaries through acquisition of stock

Previous consolidated fiscal year (April 1, 2023–March 31, 2024)

Shown below are details of assets and liabilities at the start of the consolidated fiscal year under review and the relationship of acquisition price of (now SHiDAX HOLDINGS CORPORATION) (“SHIDA Holdings” hereinafter) Inc. and (net) expenditures on its acquisition associated with the addition to consolidation of SHIDA Holdings, SHIDAX CORPORATION, and their affiliates.

Current assets	41,713 million yen
Non-current assets	7,680
Goodwill	14,048
Customer-related assets	25,951
Current liabilities	(58,464)
Non-current liabilities	(9,465)
Non-controlling interests	(7,270)
Price of acquisition of SHIDA Holdings	14,192
Price of acquisition of SHIDAX CORPORATION stock by SHIDA Holdings	24,057
Accounts payable – other associated with acquisition of SHIDAX CORPORATION stock by SHIDA Holdings	(8,138)
Cash and cash equivalents	(23,166)
Net: Expenditures for acquisition	6,944

This consolidated fiscal year (April 1, 2024–March 31, 2025)

Shown below are details of assets and liabilities at the start of the consolidated fiscal year under review and the relationship of acquisition price of HiOLI Inc. and (net) expenditures on its acquisition associated with the addition to the consolidation of HiOLI Inc.

Current assets	562 million yen
Non-current assets	160
Goodwill	989
Current liabilities	(252)
Non-current liabilities	(436)
Stock warrants	(0)
Non-controlling interests	(14)
Price of acquired shares	1,010
Price of acquisition before securing control	(120)
Gain on step acquisitions	(439)
Cash and cash equivalents	(281)
Net: Expenditures for acquisition	168

3 Details of significant non-funds transactions

(1) Amounts of assets and liabilities related to finance lease transactions are shown below.

Previous consolidated fiscal year (April 1, 2023 – March 31, 2024)

The amounts of assets and liabilities related to newly recorded finance lease transactions were 8,626 million yen each.

Consolidated fiscal year under review (April 1, 2024 – March 31, 2025)

Amounts of assets and liabilities related to newly recorded finance lease transactions were 54 million yen each.

(2) Amounts recorded of significant asset retirement obligations are shown below.

	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025
Amount recorded of significant asset retirement obligations	95 million yen	301 million yen

(Lease transactions)

1. Finance lease transactions

Finance lease transactions involving transfer of ownership:

(i) Details of leased assets

Refrigerators and freezers (machinery and equipment) used at logistics centers

(ii) Depreciation methods for leased assets

As described under “Important matters serving as bases for the preparation of the consolidated financial statements: 4. Notes on accounting policies: (2) Depreciation methods for important depreciable assets.”

Finance lease transactions other than those involving transfer of ownership

(i) Details of leased assets

The buildings of the ORD Ebina Station, the buildings of the ORD Atsugi Cold Storage Station, servers used for data preparation (tools, furniture, and fixtures), and vehicles.

(ii) Depreciation methods for leased assets

As described under “Important matters serving as bases for the preparation of the consolidated financial statements: 4. Notes to accounting policies: (2) Depreciation methods for important depreciable assets.”

2. Operating lease transactions

Unaccrued lease charges related to operating lease transactions that cannot be cancelled

(Million yen)

	Previous consolidated fiscal year (as of March 31, 2024)	Current consolidated fiscal year (as of March 31, 2025)
One year or less	1,370	1,509
More than one year	4,579	4,255
Total	5,950	5,764

(Financial instruments)

1. Status of financial instruments

(1) Policy on the use of financial instruments

The Group operates funds solely from short-term deposits, making use of internal funds for its business activities as a rule. However, where preferable or necessary, it may raise funds from the capital markets or by borrowing from financial institutions.

(2) Details and risks of financial instruments

The operating receivables of notes receivable–trade, accounts receivable–trade, and accounts receivable–other are exposed to customer credit risks.

Investment securities consist of shares of stock in companies with which the Group has business relationships and bonds for surplus fund management. They are exposed to business risks associated with the companies invested in and the risk of fluctuating market prices.

Most of the operating payables of accounts payable–trade and accounts payable–other are payable within one year and are exposed to liquidity risk.

Borrowing and lease obligations are used to raise working capital or funds related to capital investments and are exposed to liquidity risk.

(3) Risk management systems for financial instruments

(i) Managing credit risk (risks associated with matters such as contractual nonperformance by counterparties)

The Company strives to minimize risks by managing payment deadlines and individual counterparty balances in accordance with its credit standards. These standards are based on credit management rules and detailed credit management rules. Consolidated subsidiaries manage risks similarly, in accordance with the Company's credit management rules.

(ii) Managing market risk (risks of fluctuations in exchange rates, interest rates)

The Group revises holdings on an ongoing basis by periodically ascertaining matters such as the financial standing of the issuers (transaction counterparty companies) for stocks and periodically ascertaining the current market values of bonds. It has adopted a policy of refraining from the use of derivatives.

(iii) Managing liquidity risks (risk of inability to make payments by deadlines) related to fundraising

In addition to checking the states of debits and credits in accordance with claims and obligations, the Group manages liquidity risks by maintaining liquidity on hand and in other ways.

(4) Supplemental explanation of matters related to current market values of financial instruments

In addition to market valuations, the current market values assigned to financial instruments include figures calculated on a reasonable basis when no market prices are available. Since calculations of such figures must necessarily account for variability, the figures may vary depending on the assumptions made and other factors.

## 2. Matters related to current market values of financial instruments

Amounts recorded on the consolidated balance sheet, current market values, and differences therein are shown below.

Notes are omitted concerning cash and deposits, accounts receivable–trade, notes receivable–trade, accounts receivable–other, accounts payable–trade, accounts payable–other, and short-term borrowings because their current market values approximate their book values in light of their nature as cash or claims or obligations settled over the short term.

Previous consolidated fiscal year (as of March 31, 2024)

	Amount recorded to the consolidated balance sheet (million yen)	Current market value (million yen)	Difference (million yen)
(1) Investment securities			
Available-for-sale securities	935	935	–
Total assets	935	935	–
(2) Long-term loans payable	16,814	16,691	(123)
(3) Lease obligations	19,869	19,000	(868)
Total liabilities	36,683	35,691	(992)

Notes:

- Balances of (2) long-term loans payable and (3) lease obligations include current portions.
- The following securities are not included under (1) investment securities because they lack market prices.

Category	Previous consolidated fiscal year (million yen)
Unlisted shares	1,646
Shares of subsidiaries and associates	757

Current consolidated fiscal year (as of March 31, 2025)

	Amount recorded to the consolidated balance sheet (million yen)	Current market value (million yen)	Difference (million yen)
(1) Investment securities			
Available-for-sale securities	1,023	1,023	–
Total assets	1,023	1,023	–
(2) Long-term loans payable	23,286	22,483	(803)
(3) Lease obligations	18,712	17,057	(1,655)
Total liabilities	41,998	39,540	(2,458)

Notes:

- Balances of (2) long-term loans payable and (3) lease obligations include current portions.
- The following securities are not included under (1) investment securities because they lack market prices.

Category	Previous consolidated fiscal year (million yen)
Unlisted shares	1,800
Shares of subsidiaries and associates	1,017

- Planned amounts of redemption after the end date of the fiscal year of monetary claims and of securities with redemption dates
- Previous consolidated fiscal year (as of March 31, 2024)

	One year or less (million yen)	More than one but no more than five years (million yen)	More than five but no more than 10 years (million yen)	More than 10 years (million yen)
Cash and deposits	29,649	—	—	—
Notes receivable	57	—	—	—
Accounts receivable—trade	24,879	—	—	—
Accounts receivable—other	1,553	—	—	—
Total	56,140	—	—	—

Current consolidated fiscal year (as of March 31, 2025)

	One year or less (million yen)	More than one but no more than five years (million yen)	More than five but no more than 10 years (million yen)	More than 10 years (million yen)
Cash and deposits	19,155	—	—	—
Notes receivable	44	—	—	—
Accounts receivable—trade	25,938	—	—	—
Accounts receivable—other	1,361	—	—	—
Total	46,499	—	—	—

- Planned repayments after the end date of the fiscal year of long-term loans payable and lease obligations
- Previous consolidated fiscal year (as of March 31, 2024)

	One year or less (million yen)	More than one but no more than two years (million yen)	More than two but no more than three years (million yen)	More than three but no more than four years (million yen)	More than four but no more than five years (million yen)	More than five years (million yen)
Long-term loans payable	2,166	1,771	1,770	1,762	1,757	7,586
Lease obligations	1,270	1,245	1,256	1,262	1,272	13,561
Total	3,436	3,017	3,026	3,024	3,030	21,147

Current consolidated fiscal year (as of March 31, 2025)

	One year or less (million yen)	More than one but no more than two years (million yen)	More than two but no more than three years (million yen)	More than three but no more than four years (million yen)	More than four but no more than five years (million yen)	More than five years (million yen)
Long-term loans payable	1,884	1,822	2,091	1,765	1,760	13,960
Lease obligations	1,294	1,286	1,276	1,283	1,290	12,280
Total	3,179	3,109	3,367	3,049	3,051	26,241

### 3. Notes on matters such as a breakdown of financial instruments by current market value level

The current market values of financial instruments are assigned to one of the following three levels based on the observability and materiality of the inputs used to calculate current market value:

Level 1: Current market value calculated from the observable inputs of market prices on active markets for assets or liabilities subject to current market value calculations

Level 2: Current market value calculated from observable inputs other than Level 1 input

Level 3: Current market value calculated from unobservable input

Where multiple input material to current market value calculations is used, the current market value is assigned to the level having the lowest priority for current market value calculations among the levels to which the individual inputs belong.

(1) Financial assets and financial liabilities recorded to the balance sheet at current market values

Previous consolidated fiscal year (as of March 31, 2024)

Category	Current market value (million yen)			
	Level 1	Level 2	Level 3	Total
(1) Investment securities				
Available-for-sale securities				
Stocks	691	—	—	691
Other	—	—	244	244
Total	691	—	244	935

Current consolidated fiscal year (as of March 31, 2025)

Category	Current market value (million yen)			
	Level 1	Level 2	Level 3	Total
(1) Investment securities				
Available-for-sale securities				
Stocks	674	—	—	674
Other	—	—	348	348
Total	674	—	348	1,023

(2) Financial assets and financial liabilities not recorded in the balance sheet at their current market value

Previous consolidated fiscal year (as of March 31, 2024)

Category	Current market value (million yen)			
	Level 1	Level 2	Level 3	Total
(1) Shares of subsidiaries and associates	—	—	—	—
Total assets	—	—	—	—
(2) Long-term loans payable	—	16,691	—	16,691
(3) Lease obligations	—	19,000	—	19,000
Total liabilities	—	35,691	—	35,691

Current consolidated fiscal year (as of March 31, 2025)

Category	Current market value (million yen)			
	Level 1	Level 2	Level 3	Total
(1) Shares of subsidiaries and associates	—	—	—	—
Total assets	—	—	—	—
(2) Long-term loans payable	—	22,483	—	22,483
(3) Lease obligations	—	17,057	—	17,057
Total liabilities	—	39,540	—	39,540

Note: Description of evaluation methods and related input used to calculate current market value

Investment securities

Stocks consist of listed shares and are evaluated by their market price. Their current market values are assigned to Level 1 because they are traded in active markets.

“Other” consists of stock warrants for unlisted shares. Those whose monetary amounts are immaterial are valued at their book value, as are those whose current market value can be considered to approximate their book value because the corresponding investments were made close to the end of the consolidated fiscal year. These are assigned to Level 3.



Long-term loans payable, lease obligations

Current market values for these are calculated through the discounted present value method, using rates reflecting the expected amounts of interest and principal payable adjusted by the remaining period of such obligations and their credit risk. These are assigned to Level 2. Their balances include their current portions.

## (Securities)

## 1. Available-for-sale securities

Previous consolidated fiscal year (as of March 31, 2024)

	Type	Amount on the consolidated balance sheet (million yen)	Acquisition cost (million yen)	Difference (million yen)
Those for which the amount on the consolidated balance sheet exceeds the acquisition cost	(1) Stocks	691	285	405
	(2) Bonds			
	(i) Treasuries, municipals, etc.	—	—	—
	(ii) Corporate bonds	—	—	—
	(iii) Other	—	—	—
	(3) Other	—	—	—
	Subtotal	691	285	405
Those for which the amount on the consolidated balance sheet does not exceed the acquisition cost	(1) Stocks	—	—	—
	(2) Bonds			
	(i) Treasuries, municipals, etc.	—	—	—
	(ii) Corporate bonds	—	—	—
	(iii) Other	—	—	—
	(3) Other	—	—	—
	Subtotal	—	—	—
Total		691	285	405

Current consolidated fiscal year (as of March 31, 2025)

	Type	Amount on the consolidated balance sheet (million yen)	Acquisition cost (million yen)	Difference (million yen)
Those for which the amount on the consolidated balance sheet exceeds the acquisition cost	(1) Stocks	673	288	384
	(2) Bonds			
	(i) Treasuries, municipals, etc.	—	—	—
	(ii) Corporate bonds	—	—	—
	(iii) Other	—	—	—
	(3) Other	—	—	—
	Subtotal	673	288	384
Those for which the amount on the consolidated balance sheet does not exceed the acquisition cost	(1) Stocks	1	1	(0)
	(2) Bonds			
	(i) Treasuries, municipals, etc.	—	—	—
	(ii) Corporate bonds	—	—	—
	(iii) Other	—	—	—
	(3) Other	—	—	—
	Subtotal	1	1	(0)
Total		674	290	384

## 2. Available-for-sale securities sold

Previous consolidated fiscal year (as of March 31, 2024)

Category	Sale price (million yen)	Total gains on sale (million yen)	Total loss on sale (million yen)
Stocks	369	332	—

Current consolidated fiscal year (as of March 31, 2025)

Not applicable

## 3. Securities impaired

In the previous consolidated fiscal year (as of March 31, 2024), the Company performed impairment processing for 365 million yen in investment securities (325 million yen in available-for-sale securities, 40 million yen in stock warrants).

In the current consolidated fiscal year (as of March 31, 2025), the Company performed impairment processing for 226 million yen in investment securities (226 million yen in available-for-sale securities).

Impairment processing is conducted for other stocks, with no market prices if their real value declines significantly due to the deteriorating financial standing of their issuers.

(Retirement benefits)

### 1. Summary of retirement benefit system employed

The Company and certain consolidated subsidiaries employ a defined benefit pension plan.

### 2. Defined contribution plan

The contributions required for the defined contribution plan of the Company and its consolidated subsidiaries were 157 million yen in the previous consolidated fiscal year (April 1, 2023–March 31, 2024) and 390 million yen in the consolidated fiscal year under review (April 1, 2024–March 31, 2025).

(Stock options)

### 1. Reporting company

Not applicable

### 2. Consolidated subsidiaries

Disclosure of the stock options issued by certain consolidated subsidiaries is omitted due to their negligible impact/consequence.

(Tax effect accounting)

1. Breakdown of main factors leading to deferred tax assets and deferred tax liabilities

	Previous consolidated fiscal year (as of March 31, 2024)	Current consolidated fiscal year (as of March 31, 2025)
Deferred tax assets		
Provision for bonuses	536 million yen	555 million yen
Provision for loyalty points	26	33
Contract liabilities	65	51
Allowance for doubtful accounts	131	121
Income taxes payable	155	32
Impairment loss	603	563
Excess depreciation	65	142
Filing adjustments for lease transactions	117	123
Asset retirement obligations	319	423
Losses carried forward for tax purposes (Note 2)	8,178	8,603
Other	1,117	657
Subtotal of deferred tax assets	11,317	11,308
Valuation allowance on losses carried forward for tax purposes (Note 2)	(4,334)	(5,245)
Valuation allowance on total of future temporary differences in deductions	(1,434)	(1,400)
Subtotal of valuation allowances (Note 1)	(5,769)	(6,646)
Total deferred tax assets	5,548	4,662
Deferred tax liabilities		
Intangible assets	(8,963)	(8,735)
Retirement costs on asset retirement obligations	(174)	(255)
Other	(189)	(202)
Total deferred tax liabilities	(9,326)	(9,193)
Net deferred tax assets	(3,778)	(4,531)

Note 1: Valuation allowances grew by 877 million yen.

Note 2: Losses carried forward for tax purposes and deferred tax assets thereon by carryover period

Previous consolidated fiscal year (as of March 31, 2024)

(Million yen)

	One year or less	More than one but no more than two years	More than two but no more than three years	More than three but no more than four years	More than four but no more than five years	More than five years	Total
Losses carried forward for tax purposes (*1)	90	47	133	137	4,001	3,768	8,178
Valuation allowance	(90)	(47)	(133)	(137)	(1,923)	(2,001)	(4,334)
Deferred tax assets	—	—	—	—	2,077	1,767	3,844

\*1 Amounts of losses carried forward for tax purposes are multiplied by the statutory effective tax rate.

\*2 Deferred tax assets of 3,844 million yen were recorded on 8,178 million yen in losses carried forward for tax purposes (amount multiplied by the statutory effective tax rate). These deferred tax assets were recognized primarily as part of the balance of losses carried forward for tax purposes of the consolidated subsidiaries SHIDAX CORPORATION and its consolidated group and Three Limes, Inc. No valuation allowance is recognized for the portion of these losses carried forward for tax purposes judged to be recoverable given the projected future taxable income of SHIDAX CORPORATION and its consolidated group and Three Limes, Inc.

Current consolidated fiscal year (as of March 31, 2025)

(Million yen)

	One year or less	More than one but no more than two years	More than two but no more than three years	More than three but no more than four years	More than four but no more than five years	More than five years	Total
Losses carried forward for tax purposes (*1)	58	153	139	3,311	1,217	3,723	8,603
Valuation allowance	(51)	(148)	(139)	(1,819)	(699)	(2,387)	(5,245)
Deferred tax assets	6	4	—	1,492	517	1,335	3,357

\*1 Amounts of losses carried forward for tax purposes are multiplied by the statutory effective tax rate.

\*2 Deferred tax assets of 3,357 million yen were recorded on 8,603 million yen in losses carried forward for tax purposes (amount multiplied by the statutory effective tax rate). These deferred tax assets were recognized primarily as part of the balance of losses carried forward for tax purposes of the consolidated subsidiaries SHIDAX CORPORATION and its consolidated group and Three Limes, Inc. No valuation allowance is recognized for the portion of these losses carried forward for tax purposes judged to be recoverable given the projected future taxable income of SHIDAX CORPORATION and its consolidated group and Three Limes, Inc.

2. Breakdown of main account items resulting in significant differences, if any, between the statutory effective tax rate and income tax rate borne after the application of tax effect accounting

	Previous consolidated fiscal year (as of March 31, 2024)	Current consolidated fiscal year (as of March 31, 2025)
Statutory effective tax rate	30.6%	30.6%
(Adjustments)		
Items not included in losses permanently, such as entertainment expenses	0.3	1.2
Per capita apportionment of residents' tax	1.3	4.3
Tax deductions under program to increase income	(1.5)	(0.0)
Amortization of goodwill	2.5	6.8
Change in amount of valuation allowance	7.5	8.1
Investment loss (profit) on equity method	0.1	(2.3)
Difference in tax rates of foreign subsidiaries	0.7	0.3
Adjustments to distributions from partnerships included in net profit/loss attributable to non- controlling interests	0.2	(0.6)
Amount included in losses associated with repayment of capital from subsidiaries	—	(4.7)
Revision for increase in deferred tax liabilities at end of period due to revised tax rates	—	2.2
Other	2.5	1.3
Income tax rate born after application of tax effect accounting	44.3	47.2

3. Revisions to deferred tax assets and deferred tax liabilities due to revised tax rates on income and other taxes

The Act on Amendment of the Income Tax Act etc. (Act No. 13 of 2025) was passed by Parliament on March 31, 2025. As a result, the assessment of a special defense tax will begin with fiscal years starting on or after April 1, 2026.

Accordingly, deferred tax assets and deferred tax liabilities related to temporary differences expected to be resolved in fiscal years starting on or after April 1, 2026, have been calculated using a statutory effective tax rate revised from 30.6% to 31.5%.

As a result of this change, the amount of deferred tax assets in the current fiscal year (after deducting deferred tax liabilities) has decreased by 141 million yen, while the amount of income tax adjustments (credits) has decreased by 141 million yen.

4. Accounting for income taxes or related tax-effect accounting

Certain consolidated subsidiaries apply the group tax-sharing system. Accounting for income taxes or related tax-effect accounting and disclosure are conducted in accordance with the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (Accounting Standards Board of Japan [ASBJ] Practical Solution No. 42, August 12, 2021).

(Business combinations)

(Business combination through acquisition)

At its meeting held June 27, 2024, the Company Board of Directors resolved to acquire 58.7% of stock in HiOLI Inc., making it a subsidiary. An agreement on sale of stock was concluded on the same date, and the stock was acquired on July 1, 2024.

(1) Overview of the business combination

(i) Name and lines of business of the company acquired

Name of acquired company: HiOLI Inc.

Lines of business: Manufacture, processing, and sale of craft sweets using sustainable ingredients

(ii) Main reasons for implementing the business combination

The business concept of HiOLI Inc. is to create craft sweets by upcycling\* fat-free powdered milk produced as a by-product of the milk and butter production processes. Its brands include three craft sweets: HiO ICE CREAM, Butters, and Yama no Cheese, all of which seek to update the value of milk for a more ethical society. Among its craft sweets brands, Craft Butter Cake from the Butters brand has been served by airlines to first-class passengers. Each brand is developing popular products.

Group member Oisix sells and has developed products jointly with the HiO Ice Cream craft ice cream brand. Cooperative efforts are underway in various areas, based on strong affinities with the Oisix product line. Future plans call for joint efforts with the sweets segment of HiOLI Inc. leveraging its development know-how to enhance the upcycled product development efforts that have been an Oisix focus since 2021, while linking to the Group's e-commerce and distribution assets to improve the product development capabilities of both companies and strengthen their businesses.

\* Upcycling: Adding value to upgrade materials that were previously not used

(iii) Date of business combination

July 1, 2024

(iv) Legal form of business combination

Acquisition of stock for cash

(v) Name(s) after business combination

No change

(vi) Percentage of voting rights acquired

58.7%

(vii) Key factors underlying decision to acquire company

Acquisition of stock by the Company by cash payment

(2) Reporting period of acquisition included in the consolidated financial statements

July 1, 2024, through March 31, 2025

(3) Cost of acquisition and breakdown by type of consideration paid

Fair value on the date of business combination of shares held before the business combination		55 million yen
Acquisition price	Cash	954 million yen
Acquisition cost		1,010 million yen

- (4) Difference between cost of acquisition of the acquired company and total acquisition cost of individual transactions through the acquisition
- |                           |                 |
|---------------------------|-----------------|
| Gain on step acquisitions | 439 million yen |
|---------------------------|-----------------|
- (5) Details and amount of main acquisition-related expenses
- |                                   |                |
|-----------------------------------|----------------|
| Advisory remuneration, fees, etc. | 10 million yen |
|-----------------------------------|----------------|
- (6) Amount, cause, amortization method, and amortization period of goodwill
- (i) Amount of goodwill
 

	989 million yen
--	-----------------
  - (ii) Cause
 

Future excess earnings power expected from future business deployment	
---	--
  - (iii) Amortization method and amortization period
 

Equal installment method over five years	
--	--
- (7) Amounts of assets acquired and liabilities assumed on the date of the business combination and key details thereof
- |                         |                 |
|-------------------------|-----------------|
| Current assets          | 562 million yen |
| Non-current assets      | 160 million yen |
| Total assets            | 723 million yen |
| Current liabilities     | 252 million yen |
| Non-current liabilities | 436 million yen |
| Total liabilities       | 689 million yen |
- (8) Estimates of the effects of the business combination on the consolidated statement of income for the consolidated fiscal year under review if the combination had been finalized on the start date of the consolidated fiscal year, and the calculation method thereof
- |   |                   |
|---|-------------------|
| Net sales                                     | 580 million yen   |
| Operating profit                              | (206) million yen |
| Ordinary profit                               | (212) million yen |
| Net income before taxes and other adjustments | (244) million yen |
| Net income attributable to owners of parent   | (144) million yen |
| Earnings per share                            | (4.09) yen        |

(Method of calculating estimated amounts)

Estimates of effects employ the differences between net calculated sales and profits/losses based on the assumption that the business combination had been finalized on the start date of the consolidated fiscal year and net sales and profits/losses on the consolidated statement of income of the acquired company. They also include amortization calculated if goodwill recognized at the time of the business combination had arisen on the start date of the consolidated fiscal year.

These notes have not been subjected to audit certification.

(Asset retirement obligations)

Asset retirement obligations recorded on the consolidated balance sheet

A. Summary of such asset retirement obligations

Obligation to restore property to its original condition under real estate lease agreements concluded for the head offices, logistics centers, and other facilities of the Company and its consolidated subsidiaries

B. Method for calculating such asset retirement obligations

Asset retirement obligations are calculated by assuming the period of use to be two to 32 years from the date of acquisition and applying a discount rate ranging from (0.15%) to 1.991%.

C. Changes in total amounts of such asset retirement obligations

	Fiscal Year ended March 31, 2024	Fiscal Year ended March 31, 2025
Starting balance	554 million yen	975 million yen
Increase associated with acquisition of property, plant, and equipment	95	345
Increase (decrease) due to change in estimates *	4	11
Adjustments over time	(11)	(2)
Decrease due to performance of asset retirement obligations	—	(33)
Additional amount associated with new consolidation	—	15
Other increases (decreases)	332	3
Ending balance	975	1,316

\* Increase (decrease) due to change in estimates results from more precise estimation reflecting newly obtained information.



(Revenue recognition)

# 1. Analysis of revenue from contracts with customers

Information on the analysis of revenue from contracts with customers is presented under “Part 5. Accounting: 1. Consolidated financial statements: Notes to the consolidated financial statements: (Segment information, etc.).”

# 2. Basic information for understanding revenue from contracts with customers

Details of key services

BtoC Subscription Business	Delivery of food and other merchandise
BtoB Subscription Business	Contracted operations for company cafeterias, factories, and other facilities and student cafeterias at schools and other institutions Contracted operations for student and employee dormitory dining halls Contracted operations for restaurants and employee clubs Contracted operations for retail stores Contracted operations for food services for hospital and clinic patients, hospital employee cafeterias, and restaurants for guests Wholesaling of food ingredients to nursery schools and contracted operations for food services for nursery schools, kindergartens, special senior residences, senior long-term care facilities, premium senior residences, facilities for people with disabilities, etc.
Social Services Business	Managing and operating public facilities Operating after-school club services Managing and operating dormitories and lodges Administration and management Contracted school meal services Managing and operating local tourism facilities
Vehicle Operation Services Business	Providing and managing chauffeurs for company vehicles for officers, etc. Providing and managing chauffeurs for private vehicles owned by customers Providing and managing drivers for community buses, route buses, etc. Transporting services by charter buses, etc.

Details of the primary obligations in significant businesses related to revenue from contracts with customers of the Company and its consolidated subsidiaries and the normal timing of fulfillment of such performance obligations (normal timing of revenue recognition) are shown below.

The primary business of the core BtoC Subscription Business segment is the sale of food and related products. Revenue from the sale of such products is recognized at the point in time at which the products are delivered to customers because the customers are regarded as having assumed control of the products and related obligations deemed fulfilled at that time.

In addition, by applying the alternative treatment specified in Paragraph 98 of the Implementation Guidance on the Accounting Standard for Revenue Recognition, revenue is recognized in domestic sales of products, primarily in the food delivery business, at the time of shipment, assuming ordinary shipping times to the customer.

In the BtoB Subscription Business, Social Services Business, and Vehicle Operation Services Business segments, the Company and its consolidated subsidiaries provide services under contracts concluded with the service recipients that stipulate matters such as the nature of the services provided and the rights and obligations of the parties involved. Services are provided continually over the period of the contracts. Since performance obligations for such services are fulfilled by providing services to the customers based on these contracts, the obligations are fulfilled over a defined period. In addition, customers pay the Company and its consolidated subsidiaries usage fees based on monthly rates and service fees. Revenue is recorded monthly over the contractual period in which the obligations are fulfilled.

The business of wholesaling food ingredients to nursery schools in the BtoB Subscription Business is a product sales business. The businesses of operating company cafeterias, student and faculty cafeterias, restaurants, and retail stores under contract in the BtoB Subscription Business and operating and managing public facilities and local tourism facilities in the Social Services Business also sell products. Revenue from these product sales is recognized at the point in time at which the promised goods are delivered to customers because the related obligations are deemed fulfilled at that time. In the BtoC Subscription Business, payments for product sale transactions are generally received within 60 days of the fulfillment of the performance obligations; in the BtoB Subscription Business, Social Services Business, and Vehicle Operation Services Business, the cost of service provision is billed to the customer on the month following the month in which the performance obligation was fulfilled, and the normal payment deadline is within 30 days. As such, these transactions include no material financial elements.

3. Relationship between fulfillment of obligations under contracts with customers and cash flows arising from such contracts, and amounts and timing of revenue from contracts with customers in existence at the end of the consolidated fiscal year under review expected to be recognized in the following consolidated fiscal year or later

Previous consolidated fiscal year (April 1, 2023 – March 31, 2024)

(i) Balance of contractual obligations

The starting and ending balances of claims and contractual obligations recorded based on contracts between the Company and its consolidated subsidiaries and customers in the consolidated fiscal year are shown below.

	Consolidated fiscal year under review
Claims from contracts with customers (starting balance)	9,626 million yen
Claims from contracts with customers (ending balance)	24,936 million yen
Contractual obligations (starting balance)	397 million yen
Contractual obligations (ending balance)	505 million yen

The contractual obligations consist mainly of transaction values based on independent sale prices calculated while accounting for matters such as expected future expiration allocated to ending balances of loyalty points awarded on product purchases by subscribers based on the Company's loyalty point program, a sales promotion measure, and advances received from customers of the Social Services Business. Figures are transferred from contractual obligations in association with revenue recognition. Revenue recognized during the previous consolidated fiscal year and included in the balance of contractual obligations as of the start of the period was 397 million yen. The increase in contractual obligations was due to increases in the granting of loyalty points and advances received from customers of the Social Services Business.

(ii) Transaction prices allocated to residual obligations

The description of transaction prices allocated to residual obligations is omitted for practical purposes since the Company and its consolidated subsidiaries have no significant transactions for which the initially expected contractual period is longer than one year.

Current consolidated fiscal year (April 1, 2024 – March 31, 2025)

(i) Balance of contractual obligations

The starting and ending balances of claims and contractual obligations recorded based on contracts between the Company and its consolidated subsidiaries and customers in the consolidated fiscal year are shown below.

	Consolidated fiscal year under review
Claims from contracts with customers (starting balance)	24,936 million yen
Claims from contracts with customers (ending balance)	25,946 million yen
Contractual obligations (starting balance)	505 million yen
Contractual obligations (ending balance)	499 million yen

Contractual obligations consist mainly of ending balances of loyalty points awarded upon product purchases by subscribers based on the Company's loyalty point program intended as a sales promotion measure, allocated to transaction values based on independent sale prices calculated with consideration for matters such as expected future expiration and advances received from customers in connection with Social Services. Figures are transferred from contractual obligations in association with revenue recognition. Revenue recognized in the period and included in the balance of contractual obligations as of the start of the period was 505 million yen. The increase in contractual obligations was due to the granting of loyalty points and to an increase in advances received from customers in connection with Social Services.

(ii) Transaction prices allocated to residual obligations

The description of transaction prices allocated to residual obligations is omitted for practical purposes since the Company and its consolidated subsidiaries have no significant transactions for which the initially expected contractual period is longer than one year.

(Segment information)

**Segment information**

1. Summary of business segments

The Group's reportable segments represent structural units of the Group for which separate financial information is available. They are subject to periodic consideration by the Board of Directors to determine the allocation of management resources and to evaluate business performance. The Group's reportable segments are the BtoC Subscription Business, the BtoB Subscription Business, the Social Services Business, and the Vehicle Operation Services Business. Products and services belonging to each reportable segment are shown below.

Reportable segment	Main products and services
BtoC Subscription Business	Delivery of food and other merchandise
BtoB Subscription Business	Contracted operations for company cafeterias, factories, and other facilities and student cafeterias at schools and other institutions Contracted operations for student and employee dormitory dining halls Contracted operations for restaurants and employee clubs Contracted operations for retail stores Contracted operations for food services for hospital and clinic patients, hospital employee cafeterias, and restaurants for guests Wholesaling of food ingredients to nursery schools and contracted operations for food services for nursery schools, kindergartens, special senior residences, senior long-term care facilities, premium senior residences, facilities for people with disabilities, etc.
Social Services Business	Managing and operating public facilities Operating after-school club services Managing and operating dormitories and lodges Administration and management Contracted school meal services Managing and operating local tourism facilities
Vehicle Operation Services Business	Providing and managing chauffeurs for company vehicles for officers, etc. Providing and managing chauffeurs for private vehicles owned by customers Providing and managing drivers for community buses, route buses, etc. Transporting services by charter buses, etc.

2. Methods for calculating amounts of net sales, profit or loss, assets, liabilities, and other accounts by reportable segment

Accounting methods for reportable business segments comply with the accounting policies employed in the preparation of the consolidated financial statements.

Internal sales or transfers between segments are based on market values.

## 3. Information on the amounts of net sales, profit, or loss by reportable segment

Fiscal year ended March 31, 2024

(Million yen)

	Reportable Segment					Other businesses	Adjustments	Amount of Consolidated Statements of Income
	BtoC Subscription	BtoB Subscription	Social Services	Vehicle Operation Services	Total			
Net Sales								
Oisix	62,377	—	—	—	62,377	—	—	62,377
Daichi wo Mamorukai	11,327	—	—	—	11,327	—	—	11,327
Radish Boya	16,596	—	—	—	16,596	—	—	16,596
Purple Carrot	9,082	—	—	—	9,082	—	—	9,082
Medical Food	—	8,076	—	—	8,076	—	—	8,076
Contract Food	—	5,065	—	—	5,065	—	—	5,065
Suku-suku Oisix	—	1,633	—	—	1,633	—	—	1,633
After-school club service	—	—	4,702	—	4,702	—	—	4,702
Public school lunch service	—	—	3,816	—	3,816	—	—	3,816
Social service	—	—	2,852	—	2,852	—	—	2,852
Executive vehicle management	—	—	—	2,645	2,645	—	—	2,645
General vehicle management	—	—	—	2,463	2,463	—	—	2,463
Passenger transport	—	—	—	1,105	1,105	—	—	1,105
Other	—	194	—	—	194	16,413	—	16,608
Revenue from Contracts with Customers	99,383	14,970	11,372	6,213	131,940	16,413	—	148,354
Other	—	—	—	—	—	54	—	54
Net sales to external customers	99,383	14,970	11,372	6,213	131,940	16,467	—	148,408
Intersegmental net sales and transfers	—	6	10	15	32	1,559	(1,592)	—
Total	99,383	14,976	11,383	6,229	131,972	18,027	(1,592)	148,408
Segment profit (loss)	8,765	309	336	301	9,712	1,217	(5,804)	5,125
Segment assets	58,164	29,865	18,483	29,709	136,222	13,243	(5,756)	143,709
Other Items								
Depreciation	1,879	158	51	120	2,209	89	314	2,613
Amortization of goodwill	281	59	59	100	501	—	—	501
Share of profit (loss) of entities accounted for using equity method	—	—	—	—	—	(24)	—	(24)
Investments in equity method affiliates	—	—	—	—	—	22	—	22
Increase in property, plant, and equipment and intangible assets	11,170	18,653	5,670	15,987	51,481	279	94	51,854

## Notes:

- The “Other businesses” segment is a business segment not included in the reported segments and includes other companies’ EC support business, mobile supermarket business, and web system development business and others.
- The main components of segment profit in “Adjustments” are corporate expenses such as general and administrative expenses that do not belong to any reportable segment. The adjustment of (5,756) million yen to segment assets consists of (17,660) million yen in offsetting of claims among segments and 11,904 million yen in corporate assets that do not belong to any reportable segment. “Depreciation” represents the depreciation of corporate assets that do not belong to any reportable segment, and “Increase in property, plant and equipment and intangible assets” represents the increase in corporate assets that do not belong to any reportable segment.
- Adjustments were made to reconcile segment profit to operating profit or loss presented in Consolidated Statements of Income.
- “Other” in net sales is sales based on “Accounting Standard for Lease Transactions (ASBJ Statement No. 13)”.

	Reportable Segment					Other businesses	Adjustments	Amount of Consolidated Statements of Income
	BtoC Subscription	BtoB Subscription	Social Services	Vehicle Operation Services	Total			
Net Sales								
Oisix	59,662	—	—	—	59,662	—	—	59,662
Daichi wo Mamorukai	10,753	—	—	—	10,753	—	—	10,753
Radish Boya	16,642	—	—	—	16,642	—	—	16,642
Purple Carrot	10,093	—	—	—	10,093	—	—	10,093
Medical Food	—	32,864	—	—	32,864	—	—	32,864
Contract Food	—	22,770	—	—	22,770	—	—	22,770
Suku-suku Oisix	—	1,985	—	—	1,985	—	—	1,985
After-school club service	—	—	23,472	—	23,472	—	—	23,472
Public school lunch service	—	—	15,792	—	15,792	—	—	15,792
Social service	—	—	13,040	—	13,040	—	—	13,040
Executive vehicle management	—	—	—	11,722	11,722	—	—	11,722
General vehicle management	—	—	—	10,572	10,572	—	—	10,572
Passenger transport	—	—	—	4,819	4,819	—	—	4,819
Other	—	3,070	—	—	3,070	18,567	—	21,637
Revenue from Contracts with Customers	97,152	60,690	52,304	27,114	237,262	18,567	—	255,829
Other	—	—	—	—	—	179	—	179
Net sales to external customers	97,152	60,690	52,304	27,114	237,262	18,746	—	256,009
Intersegmental net sales and transfers	0	93	47	59	200	2,391	(2,592)	—
Total	97,152	60,784	52,352	27,174	237,462	21,138	(2,592)	256,009
Segment profit (loss)	9,361	407	2,158	1,930	13,857	1,048	(8,042)	6,864
Segment assets	50,040	30,098	19,127	30,438	129,704	11,722	(6,863)	134,564
Other Items								
Depreciation	2,793	664	207	515	4,181	146	264	4,592
Amortization of goodwill	188	372	239	402	1,203	136	—	1,339
Share of profit (loss) of entities accounted for using equity method	—	—	—	—	—	498	—	498
Investments in equity method affiliates	—	—	—	—	—	45	—	45
Increase in property, plant and equipment and intangible assets	2,220	178	100	895	3,396	1,284	134	4,815

## Notes:

1. The “Other businesses” segment is a business segment not included in the reported segments and includes other companies’ EC support business, mobile supermarket business, and web system development business and others.
2. The main components of segment profit in “Adjustments” are corporate expenses such as general and administrative expenses that do not belong to any reportable segment. The adjustment of (6,863) million yen to segment assets consists of (18,115) million yen in offsetting of claims among segments and 11,252 million yen in corporate assets that do not belong to any reportable segment. “Depreciation” represents the depreciation of corporate assets that do not belong to any reportable segment, and “Increase in property, plant and equipment and intangible assets” represents the increase in corporate assets that do not belong to any reportable segment.
3. Adjustments were made to reconcile segment profit to operating profit or loss presented in Consolidated Statements of Income.
4. “Other” in net sales is sales based on “Accounting Standard for Lease Transactions (ASBJ Statement No. 13)”.

## Related information

Previous consolidated fiscal year (April 1, 2023 – March 31, 2024)

### 1. Information on individual products and services

(Million yen)

	BtoC Subscription	BtoB Subscription	Social Services	Vehicle Operation Services	Other	Total
Net sales to external customers	99,383	14,970	11,372	6,213	16,467	148,408

### 2. Regional information

#### (1) Net sales

Omitted here because sales to external customers in Japan account for more than 90% of sales on the Consolidated Income Statement.

#### (2) Property, plant, and equipment

Omitted here since the value of property, plant, and equipment located in Japan accounts for more than 90% of the value of property, plant, and equipment on the consolidated balance sheet.

### 3. Information on major customers

Omitted here since no counterparties in sales to external customers account for 10% or more of net sales on the consolidated statement of income.

Current consolidated fiscal year (April 1, 2024 – March 31, 2025)

### 1. Information on individual products and services

(Million yen)

	BtoC Subscription	BtoB Subscription	Social Services	Vehicle Operation Services	Other	Total
Net sales to external customers	97,152	60,690	52,304	27,114	18,746	256,009

### 2. Regional information

#### (1) Net sales

Omitted here since net sales to external customers in Japan account for more than 90% of net sales on the Consolidated Statement of Income.

#### (2) Property, plant, and equipment

Omitted here since the value of property, plant, and equipment located in Japan accounts for more than 90% of the value of property, plant, and equipment on the consolidated balance sheet.

### 3. Information on major customers

Omitted here since no counterparties in sales to external customers account for 10% or more of net sales on the consolidated statement of income.

### Information on impairment losses on non-current assets by reportable segment

Previous consolidated fiscal year (April 1, 2023 – March 31, 2024)

(Million yen)

	BtoC Subscription	BtoB Subscription	Social Services	Vehicle Operation Services	Total	Other	Companywide/ eliminations	Amount recorded on consolidated financial statements
Impairment loss	372	2	7	10	392	27	(0)	420

Note: The amount under “Other” represents the amount related to rental real estate and the overseas home delivery business (Hong Kong).

Current consolidated fiscal year (April 1, 2024 – March 31, 2025)

(Million yen)

	BtoC Subscription	BtoB Subscription	Social Services	Vehicle Operation Services	Total	Other	Companywide/ eliminations	Amount recorded on consolidated financial statements
Impairment loss	–	39	–	63	103	117	–	221

Note: The amount under “Other” represents goodwill on the consolidated subsidiary AGRIGATE and the amount related to the overseas home delivery business (Hong Kong).

### Information on impairment amounts and unimpaired balances of goodwill by reportable segment

Previous consolidated fiscal year (April 1, 2023 – March 31, 2024)

(Million yen)

	BtoC Subscription	BtoB Subscription	Social Services	Vehicle Operation Services	Total	Other	Companywide/ eliminations	Amount recorded on consolidated financial statements
Amortization during the period	281	59	59	100	501	–	–	501
Carrying amount at end of period	615	5,303	4,012	5,145	15,077	148	–	15,225

Note: The amount under “Other” represents the amount related to the businesses of production and sale of agricultural produce and food products.

Current consolidated fiscal year (April 1, 2024 – March 31, 2025)

(Million yen)

	BtoC Subscription	BtoB Subscription	Social Services	Vehicle Operation Services	Total	Other	Companywide/ eliminations	Amount recorded on consolidated financial statements
Amortization during the period	188	372	239	402	1,203	136	–	1,339
Carrying amount at end of period	490	4,940	3,772	4,742	13,946	890	–	14,837

Note: The amount under “Other” represents the amount related to the businesses of production and sale of agricultural produce and food products.

### Information on gain on bargain purchase by reportable segment

Previous consolidated fiscal year (April 1, 2023 – March 31, 2024)

Not applicable

Current consolidated fiscal year (April 1, 2024 – March 31, 2025)

Not applicable



(Information on related parties)

1. Transactions with related parties

(1) Transactions between the Company submitting the consolidated financial statements and related parties

(A) Non-consolidated subsidiaries and affiliates of the Company submitting the consolidated financial statements

Previous consolidated fiscal year (April 1, 2023 – March 31, 2024)

Not applicable

Current consolidated fiscal year (April 1, 2024 – March 31, 2025)

Not applicable

(B) Officers and major shareholders (individuals only) of the Company submitting the consolidated financial statements

Previous consolidated fiscal year (April 1, 2023 – March 31, 2024)

Not applicable

Current consolidated fiscal year (April 1, 2024 – March 31, 2025)

Not applicable

(2) Transactions between consolidated subsidiaries of the Company submitting the consolidated financial statements and related parties

Previous consolidated fiscal year (April 1, 2023 – March 31, 2024)

Type	Personal or corporate name	Location	Capital or investment (million yen)	Line of business or occupation	Percentage of voting rights owned by or in the related party (%)	Relationship with the related party	Transaction details	Transaction amount (million yen)	Account	Ending balance (million yen)
Companies in which officers and/or their close relatives own a majority of voting rights (including subsidiaries of such companies)	SDI Corporation	Chuo-ku, Tokyo	5	Securities investment and real estate leasing businesses	–	Provision of construction cooperation funds	Provision of construction cooperation funds	173	Short-term loans receivable	33
									Long-term loans receivable	138
						Concurrent service of officers	Receipt of interest on construction cooperation funds (*1)	0	–	–
	SHIDA Corporation	Chiyoda-ku, Tokyo	10	Securities investment business	–	Office leasing, etc. Concurrent service of officers	Advance payment of salaries of seconded personnel (*2)	17	Advances paid on Behalf of Others	0
	SHIDAX Nakaizu Winery Hills Inc.	Chofu, Tokyo	10	Managing and operating hotels, restaurants, and bars	–	Business contracting Leasing of business facilities, etc. Concurrent service of officers	Receipt of rent (*3)	16	Accounts receivable–trade	–
							Advance payment of salaries of seconded personnel (*2)	163	Advances paid on Behalf of Others	–

Notes:

- Kinichi Shida, Representative Director of SDI Corporation, serves concurrently as Representative Director of SHIDAX CORPORATION, a Company subsidiary.
- Representative Director Kinichi Shida of Company subsidiary SHIDAX CORPORATION and his close relatives directly own 100% of voting rights in SDI Corporation.
- Kinichi Shida, a Director of SHIDA Corporation, serves concurrently as Representative Director of SHIDAX CORPORATION, a Company subsidiary.
- Representative Director Kinichi Shida of Company subsidiary SHIDAX CORPORATION and his close relatives directly own a majority of voting rights in SHIDA Corporation.
- Kinichi Shida, Representative Director of SHIDAX Nakaizu Winery Hills Inc., serves concurrently as Representative Director of SHIDAX CORPORATION, a Company subsidiary.
- SHIDAX Nakaizu Winery Hills Inc. is a subsidiary of SHIDA Corporation, in which Representative Director Kinichi Shida of Company subsidiary SHIDAX CORPORATION and his close relatives own a majority of voting rights.
- Transaction conditions, policies for deciding on transaction conditions, etc.

(\*1) Interest on construction cooperation funds is determined based on the interest rate on borrowings by the Company subsidiary SHIDAX CORPORATION.

(\*2) Advance payment of salaries of seconded personnel is made in the amount equal to actual costs.

(\*3) Rent is determined based on valuation reports by real estate appraisers.

Current consolidated fiscal year (April 1, 2024 – March 31, 2025)

Type	Personal or corporate name	Location	Capital or investment (million yen)	Line of business or occupation	Percentage of voting rights owned by or in the related party (%)	Relationship with the related party	Transaction details	Transaction amount (million yen)	Account	Ending balance (million yen)
Companies in which officers and/or their close relatives own a majority of voting rights (including subsidiaries of such companies)	SDI Corporation	Chuo-ku, Tokyo	5	Securities investment and real estate leasing businesses	–	Provision of construction cooperation funds Concurrent service of officers	Provision of construction cooperation funds	152	Short-term loans receivable	34
									Long-term loans receivable	103
	SHIDA Corporation	Chiyoda-ku, Tokyo	10	Securities investment business	–	Office leasing, etc. Concurrent service of officers	Advance payment of salaries of seconded personnel (*1)	84	Advances paid	0
	SHIDAX Nakaizu Winery Hills Inc.	Chofu, Tokyo	10	Managing and operating hotels, restaurants, and bars	–	Business contracting Leasing of business facilities, etc. Concurrent service of officers Merchandise sales Business outsourcing	Receipt of rent (*2)	33	–	–
							Use of food, beverage, and other facilities (*3)	18	Accounts payable–other	0
							Payment of office rent (*4)	11	Other current assets	0
							Advance payment of salaries of seconded personnel (*1)	670	Advances paid	67
									Long-term accounts receivable–other	403
							Receipts of interest on installment repayment (*5)	10	Accounts receivable–other	10
							Sale of consumables (*6)	15	Accounts receivable–trade	1

Notes:

- Kinichi Shida, Representative Director of SDI Corporation, serves concurrently as Representative Director of SHIDAX CORPORATION, a Company subsidiary.
- Representative Director Kinichi Shida of Company subsidiary SHIDAX CORPORATION and his close relatives directly own 100% of voting rights in SDI Corporation.
- Kinichi Shida, a Director of SHIDA Corporation, serves concurrently as Representative Director of SHIDAX CORPORATION, a Company subsidiary.
- Representative Director Kinichi Shida of Company subsidiary SHIDAX CORPORATION and his close relatives directly own a majority of voting rights in SHIDA Corporation.
- Kinichi Shida, Representative Director of SHIDAX Nakaizu Winery Hills Inc., serves concurrently as Representative Director of SHIDAX CORPORATION, a Company subsidiary.
- SHIDAX Nakaizu Winery Hills Inc. is a subsidiary of SHIDA Corporation, in which Representative Director Kinichi Shida of Company subsidiary SHIDAX CORPORATION and his close relatives own a majority of voting rights.
- Transaction conditions, policies for deciding on transaction conditions, etc.

(\*1) Advance payment of salaries of seconded personnel is made in the amount equal to actual costs.

(\*2) Rent is determined based on valuation reports by real estate appraisers.

(\*3) Use of food, beverages, and other facilities is determined similarly to general transaction conditions.

(\*4) Payment of office rent is determined through negotiations based on actual transactions in the vicinity.

(\*5) Interest income is determined based on the interest rate on borrowings by Company subsidiary SHIDAX CORPORATION.

(\*6) Sale of consumables is determined through negotiation with consideration for market prices.

2. Notes on the parent company and significant affiliates

(1) Parent company information

Previous consolidated fiscal year (April 1, 2023 – March 31, 2024)

Not applicable

Current consolidated fiscal year (April 1, 2024 – March 31, 2025)

Not applicable

(2) Summary financial information on significant affiliates

There were no significant affiliates in the consolidated fiscal year under review.

## (Per-share information)

	Previous consolidated fiscal year (April 1, 2023 – March 31, 2024)	Current consolidated fiscal year (April 1, 2024 – March 31, 2025)
Net assets per share	794.83 yen	874.72 yen
Earnings per share	112.38 yen	103.13 yen

Notes:

1. Diluted earnings per share is omitted because no potential shares had dilutive effects.
2. Shown below are the basis for calculating earnings per share and diluted earnings per share.

	Previous consolidated fiscal year (April 1, 2023 – March 31, 2024)	Current consolidated fiscal year (April 1, 2024 – March 31, 2025)
Earnings per share		
Profit attributable to owners of parent (million yen)	4,108	3,638
Amount not attributable to common stockholders (million yen)	–	–
Profit attributable to owners of parent attributable to common stock (million yen)	4,108	3,638
Average number of shares of common stock during the period	36,558,053	35,276,140
Summary of potential shares not included in calculation of diluted earnings per share because they had no dilutive effects	Stock options issued by subsidiaries are not included in calculation of diluted earnings per share because they had no dilutive effects.	Stock options issued by subsidiaries are not included in calculation of diluted earnings per share because they had no dilutive effects.

(v) Additional details to the consolidated financial statements

**Details of bonds**

Not applicable

**Details of borrowings**

Category	Starting balance (million yen)	Ending balance (million yen)	Average interest rate (%)	Repayment period
Short-term borrowings	15,045	10,095	0.85	—
Current portion of long-term borrowings	2,166	1,884	2.42	—
Current portion of lease liabilities	1,270	1,294	1.17	—
Long-term borrowings (excluding current portion)	14,648	21,401	2.69	2026–2033
Lease liabilities (excluding current portion)	18,598	17,417	1.15	2026–2039
Other interest-bearing debt	—	—	—	—
Total	51,728	52,093	—	—

Notes:

1. Average interest rate indicates the weighted average interest rate on the ending balance of borrowings.
2. Shown below are long-term borrowings and lease liabilities (excluding current portions) planned for repayment within five years from the ending date of the consolidated fiscal year.

	More than one but no more than two years (million yen)	More than two but no more than three years (million yen)	More than three but no more than four years (million yen)	More than four but no more than five years (million yen)
Long-term borrowings	1,822	2,091	1,765	1,760
Lease liabilities	1,286	1,276	1,283	1,290

**Details of asset retirement obligations**

Details of asset retirement obligations are omitted here because matters that would be covered in such detail are described as matters subject to notes under Article 15-23 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements.

(2) Other

Semiannual information on the consolidated fiscal year under review

	First half	Consolidated fiscal year under review
Net sales (million yen)	125,706	256,009
Net income before taxes and other adjustments (million yen)	4,080	6,559
Net income attributable to owners of parent (million yen)	2,392	3,638
Earnings per share (yen)	66.80	103.13

## 2. Non-consolidated Financial Statements

### (1) Non-consolidated Financial Statements

#### (i) Balance Sheet

(Million yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	*1 18,918	*1 8,823
Accounts receivable–trade	*2 8,967	*2 9,069
Merchandise and finished goods	1,473	1,894
Work in process	100	221
Raw materials and supplies	461	661
Accounts receivable–other	*2 1,520	*2 1,473
Advances paid	17	10
Prepaid expenses	481	507
Income taxes receivable	0	-
Other	185	357
Allowance for doubtful accounts	(261)	(218)
Total current assets	31,865	22,799
Non-current assets		
Property, plant, and equipment		
Buildings	1,404	1,508
Structures	34	30
Machinery and equipment	1,944	4,142
Vehicles	8	15
Tools, furniture and fixtures	646	928
Leased assets	19,373	18,092
Construction in progress	1,560	-
Total property, plant and equipment	24,972	24,719
Intangible assets		
Trademarks	1	1
Software	1,475	1,560
Software in progress	319	93
Total intangible assets	1,795	1,655
Investments and other assets		
Investment securities	1,011	966
Shares of subsidiaries and associates	18,872	19,878
Long-term loans to affiliates	240	1,053
Deferred tax assets	338	77
Leasehold and guarantee deposits	*1 1,620	*1 1,625
Other	*2 81	*2 98
Allowance for doubtful accounts	*2 (58)	*2 (58)
Total investments and other assets	22,106	23,641
Total non-current assets	48,874	50,015
Total assets	80,739	72,815

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable–trade	*1 5,529	*1 5,347
Short-term borrowings	*3 15,000	*3 10,000
Lease liabilities	1,222	1,234
Accounts payable–other	*2 4,852	*2 4,709
Accrued expenses	932	877
Income taxes payable	2,571	133
Accrued consumption taxes	362	-
Contract liabilities	247	202
Deposits received	180	93
Provision for point card certificates	87	109
Other	36	47
Total current liabilities	31,023	22,755
Non-current liabilities		
Lease liabilities	18,536	17,311
Long-term borrowings	112	101
Asset retirement obligations	648	988
Other	*2 51	*2 50
Total non-current liabilities	19,348	18,452
Total liabilities	50,372	41,207
Net assets		
Shareholders' equity		
Share capital	3,995	3,995
Capital surplus		
Capital reserves	7,876	7,876
Other capital surplus	133	133
Total capital surplus	8,009	8,009
Retained earnings		
Other retained earnings		
Retained earnings brought forward	22,640	26,218
Total retained earnings	22,640	26,218
Treasury shares	(4,504)	(6,807)
Total shareholders' equity	30,141	31,416
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	225	191
Total valuation and translation adjustments	225	191
Total net assets	30,367	31,607
Total liabilities and net assets	80,739	72,815



## (ii) Statement of Income

(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	*1 104,580	*1 100,297
Cost of sales	*1 53,240	*1 50,976
Gross profit	51,339	49,321
Selling, general and administrative expenses	*1,*2 45,329	*1,*2 43,356
Operating profit	6,010	5,964
Non-operating income		
Interest income	1	11
Dividend income	0	0
Gain on investments in partnership	9	23
Compensation income	19	21
Other	35	40
Total non-operating income	65	97
Non-operating expenses		
Interest expenses	162	268
Foreign exchange losses	8	17
Differences in consumption taxes	43	2
Provision of allowance for doubtful accounts	58	-
Other	1	29
Total non-operating expenses	274	316
Ordinary profit	5,802	5,745
Extraordinary income		
Gain on sale of investment securities	6	-
Gain on sales of shares of subsidiaries and associates	4,094	-
Total extraordinary income	4,101	-
Extraordinary losses		
Impairment losses	12	6
Loss on valuation of shares of subsidiaries and associates	1,136	209
Loss on valuation of investment securities	49	42
Costs of special investigation.	-	79
Total extraordinary losses	1,198	338
Profit before income taxes	8,705	5,407
Income taxes—current	3,037	1,554
Income taxes—deferred	(68)	275
Total income taxes	2,968	1,829
Profit	5,737	3,578

## (iii) Statement of Changes in Shareholders' Equity

Fiscal year ended March 31, 2024

(Million yen)

	Shareholders' equity					
	Share capital	Capital surplus			Retained earnings	
		Capital reserves	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
					Retained earnings brought forward	
Balance at beginning of period	3,995	7,876	133	8,009	16,903	16,903
Changes during period						
Net income					5,737	5,737
Purchase of treasury shares						
Net changes in items other than shareholders' equity						
Total changes during period	—	—	—	—	5,737	5,737
Balance at end of period	3,995	7,876	133	8,009	22,640	22,640

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(4,503)	24,404	153	153	24,558
Changes during period					
Net income		5,737			5,737
Purchase of treasury shares	(0)	(0)			(0)
Net changes in items other than shareholders' equity			72	72	72
Total changes during period	(0)	5,736	72	72	5,809
Balance at end of period	(4,504)	30,141	225	225	30,367

	Shareholders' equity					
	Share capital	Capital surplus			Retained earnings	
		Capital reserves	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of period	3,995	7,876	133	8,009	22,640	22,640
Changes during period						
Net income					3,578	3,578
Purchase of treasury shares						
Net changes in items other than shareholders' equity						
Total changes during period	—	—	—	—	3,578	3,578
Balance at end of period	3,995	7,876	133	8,009	26,218	26,218

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(4,504)	30,141	225	225	30,367
Changes during period					
Net income		3,578			3,578
Purchase of treasury shares	(2,303)	(2,303)			(2,303)
Net changes in items other than shareholders' equity			(34)	(34)	(34)
Total changes during period	(2,303)	1,274	(34)	(34)	1,240
Balance at end of period	(6,807)	31,416	191	191	31,607

## Notes

(Important accounting policies)

### 1. Asset valuation standards and methods

#### (1) Securities

Shares of subsidiaries and associates

The moving average cost method is employed.

Available-for-sale securities

Those other than stocks with no fair market value

The fair value method is employed. (The entire amount of any difference in valuation is recorded to net assets. Cost of sales is calculated by the moving average method.)

Stocks with no fair market value

The moving average cost method is employed.

For investments in limited-liability investment partnerships and similar partnerships, the amount equivalent to equity is included in the total amount based on the latest financial statements available according to the financial reporting date stipulated in the partnership agreement.

#### (2) Inventories

The Company employs the moving average cost method (with amounts on the balance sheet calculated by decreasing book value in accordance with reductions in profitability), the FIFO cost method (with amounts on the balance sheet calculated by decreasing book value in accordance with reductions in profitability), and the gross average cost method (with amounts on the balance sheet calculated by decreasing book value in accordance with reductions in profitability).

### 2. Depreciation methods for non-current assets

#### (1) Property, plant, and equipment (excluding leased assets)

The straight-line method is employed.

The main useful lives are shown below:

Buildings:	2–21 years
Structures:	8–18 years
Machinery and equipment:	2–12 years
Vehicles:	1–4 years
Tools, furniture and fixtures:	1–15 years

#### (2) Intangible assets (excluding leased assets)

The straight-line method is employed. Software used by the Company is depreciated based on the useful life within the Company (five years).

#### (3) Leased assets

Leased assets related to finance lease transactions involving transfer of ownership:

Depreciated by the same method applied to property, plant, and equipment owned by the Company.

Leased assets related to finance lease transactions other than those involving transfer of ownership:

Depreciated by the straight-line method with the lease period as the useful life and a residual value of zero.

### 3. Accounting standards for allowances and provisions

#### (1) Allowance for doubtful accounts

To be prepared for possible losses on doubtful claims, the Company provides for this allowance based on the actual rate of losses from bad debts for general receivables and anticipated amounts unrecoverable based on a case-by-case assessment of recoverability for specific claims, such as those with the potential for default and claims in reorganization.

(2) Provision for loyalty points

To provide for the use of points awarded to customers as Action Points based on the loyalty point program intended as a sales promotion measure, the anticipated future usage amount as of the end of the current fiscal year is recorded.

4. Accounting standards for significant revenues and expenses

Details of the primary obligations in significant businesses related to revenue from contracts with customers of the Company and the normal timing of fulfillment of such performance obligations (normal timing of revenue recognition) are shown below.

The Company's primary business is the sale of food and related products. Revenue from the sale of such products is recognized at the point in time at which the products are delivered to customers because the customers are regarded as having assumed control of the products and related obligations deemed fulfilled at that time.

In addition, by applying the alternative treatment specified in Paragraph 98 of the Implementation Guidance on the Accounting Standard for Revenue Recognition, revenue is recognized in domestic sales of products, primarily in the food delivery business, at the time of shipment, assuming ordinary shipping times to the customer.

Since the price on transactions is received within 60 days of fulfillment of the obligations, they include no material financial elements.

5. Other important matters serving as basis for the preparation of financial statements

Method of processing deferred assets

Share issuance costs

The entire amount of share issuance costs is recorded as an expense at the time of payment.

(Significant accounting estimates)

Accounts that involve especially significant accounting estimates on the financial statements are shown below.

1. Evaluation of shares of stock in Oisix Inc.

(1) Amount recorded on financial statements for the fiscal year under review

(Million yen)

	Previous fiscal year	Current fiscal year
Shares of subsidiaries and associates	3,010	3,134

No loss was incurred on the valuation of shares of subsidiaries and associates for these shares during the fiscal year under review.

(2) Method for calculating the amount recorded on the financial statements for the fiscal year under review

Shares of stock in subsidiaries and affiliates are appraised by the moving average cost method. Shares of stock at Oisix Inc. were acquired at a high price considering its net assets per share, reflecting the company's excess earnings power and other factors. In such cases, the effective value may well decline markedly due to a decline in earning power and other factors over subsequent periods. Even if the issuer's financial standing does not deteriorate in such cases, impairment is recorded if there is little prospect of improvement in excess earning power based on expectations that such conditions are likely to persist in future periods.

Oisix Inc. operates the consolidated Group's investment business in the United States. It is the parent company of Three Limes, Inc. and YOKO STREET, INC., also consolidated subsidiaries. Accordingly, in calculating the effective value of shares of stock in Oisix Inc., valuations of shares in Three Limes, Inc. and YOKO STREET, INC. are taken into consideration. The excess earning power of Three Limes, Inc. is taken into consideration in such valuations.

(3) Major assumptions in calculating the amount recorded on the financial statements for the fiscal year under review

See "Part 5. Accounting: 1. Consolidated financial statements: (1) Notes to the consolidated financial statements: (Significant accounting estimates)" for the major assumptions underlying calculations of effective value.

(4) Impact on financial statements for the next fiscal year

A loss on the valuation of shares of subsidiaries and associates may be incurred in the next fiscal year if a change in the economic or business conditions of Oisix Inc. compels a revision of the assumptions employed in these estimates.

2. Evaluation of shares of stock in SHiDAX HOLDINGS CORPORATION

(1) Amount recorded on financial statements for the fiscal year under review

(Million yen)

	Previous fiscal year	Current fiscal year
Shares of subsidiaries and associates	14,192	14,192

No loss was incurred on the valuation of shares of subsidiaries and associates for these shares during the fiscal year under review.

(2) Method for calculating the amount recorded on the financial statements for the fiscal year under review

Shares of stock in subsidiaries and consolidated affiliates are appraised by the moving average cost method. Shares of stock in SHiDAX HOLDINGS CORPORATION were acquired at a high price considering its net assets per share, reflecting the company's excess earnings power and other factors. In such cases, the effective value may well decline markedly due to a decline in excess earning power and other factors over subsequent periods. Even if the issuer's financial standing does not

deteriorate in such cases, impairment is recorded if there is little prospect of improvement in excess earning power based on the expectation that such conditions are likely to persist.

SHiDAX HOLDINGS CORPORATION is the parent company of the consolidated subsidiary SHiDAX CORPORATION and its consolidated subsidiaries. Accordingly, in calculating the effective value of shares of stock in SHiDAX HOLDINGS CORPORATION, the valuation of shares in SHiDAX CORPORATION is taken into consideration. The excess earning power of SHiDAX CORPORATION and its consolidated subsidiaries is taken into consideration in such valuation.

(3) Major assumptions in calculating the amount recorded to the financial statements for the fiscal year under review

See “Part 5. Accounting: 1. Consolidated financial statements: (1) Notes to the consolidated financial statements: (Significant accounting estimates)” for the major assumptions underlying calculations of effective value.

(4) Impact on financial statements for the next fiscal year

There is a possibility that valuation loss on shares of affiliates could arise in the following business year in the event that it becomes necessary to revise the assumptions used in these estimates due to changes in the economic conditions faced by the consolidated group of SHiDAX HOLDINGS CORPORATION and the business conditions of the consolidated group of SHiDAX HOLDINGS CORPORATION.

(Changes in accounting policies)

The Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan [ASBJ] Statement No. 27, October 28, 2022; “2022 Revised Accounting Standard” hereinafter) and other applicable standards have been applied from the start of the consolidated fiscal year under review.

The provisional handling specified in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the provisional handling specified in the proviso to Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; “2022 Revised Guidance” hereinafter) has been applied for revisions related to income tax accounting classifications (taxation on other comprehensive income). This change in accounting policy has had no effect on the financial statements.

(Changes in presentation)

(Balance Sheet)

Long-term loans to affiliates included in others under the investments and other assets in the previous business year are presented as a separate line item starting this business year due to an increase in monetary significance. The financial statements for the previous business year have been restated to reflect this change in presentation methods.

As a result, the 321 million yen presented under others under investments and other assets on the balance sheet for the previous business year has been reclassified as 240 million yen in long-term loans to affiliates and 81 million yen in other under the investments and other assets.

(Balance Sheet)

\*1 Collateral assets and collateralized liabilities

Assets pledged as collateral are shown below.

	Previous fiscal year (as of March 31, 2024)	Current fiscal year (as of March 31, 2025)
Time deposits	10 million yen	10 million yen
Guarantee money	36	36
Total	46	46

Collateralized liabilities are shown below.

	Previous fiscal year (as of March 31, 2024)	Current fiscal year (as of March 31, 2025)
Accounts payable-trade	25 million yen	21 million yen
Total	25	21

\*2 Monetary claims and obligations on affiliates

	Previous fiscal year (as of March 31, 2024)	Current fiscal year (as of March 31, 2025)
Short-term monetary claims	374 million yen	317 million yen
Short-term monetary obligations	180	286
Long-term monetary claims	298	1,105
Long-term monetary obligations	50	50

\*3 The Company has concluded agreements on current account overdrafts and commitment lines of credit with its four main banks to raise working capital efficiently.

Unexecuted balances of current account overdrafts and commitment lines of credit under these agreements as of the end of the fiscal year under review are shown below.

	Previous fiscal year (as of March 31, 2024)	Current fiscal year (as of March 31, 2025)
Total amount of agreements on current account overdrafts and commitment lines of credit	29,000 million yen	24,000 million yen
Outstanding loan balance	15,000	10,000
Difference	14,000	14,000



(Income Statement)

\*1 Balances of transactions with affiliates

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Balances of operating transactions		
Net sales	2,123 million yen	2,098 million yen
Net purchases of goods	1,411	1,712
Selling, general and administrative expenses	528	851
Balances of transactions other than operating transactions	4	57

- \*2 Expenses in the category of selling expenses accounted for 57% of selling, general and administrative expenses in the previous fiscal year and 55% in the current fiscal year. Expenses in the category of general and administrative expenses accounted for 43% of selling, general and administrative expenses in the previous fiscal year and 45% in the current fiscal year. Significant line items under selling, general and administrative expenses, and their amounts are shown below.

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Sales promotion expenses	7,919 million yen	7,318 million yen
Packing and shipping expenses	12,705	11,649
Salaries and allowances	4,735	4,788
Outsourcing expenses	5,720	5,270
Provision for allowance for doubtful accounts	235	188
Provision for loyalty points	78	80
Depreciation expenses	1,761	2,457

(Securities)

Market values of shares in subsidiaries and shares in affiliates are omitted because shares in subsidiaries and shares in affiliates have no market prices.

Shown below are the amounts recorded on the balance sheet of shares in subsidiaries and shares in affiliates under shares of stock, etc. with no market prices.

Previous fiscal year (as of March 31, 2024)

Amounts recorded on balance sheet of shares of stock with no market prices

Category	This fiscal year (million yen)
Shares in subsidiaries	18,395
Shares in affiliates	477
Total	18,872

Current fiscal year (as of March 31, 2025)

Amounts recorded on balance sheet of shares of stock with no market prices

Category	This fiscal year (million yen)
Shares in subsidiaries	19,355
Shares in affiliates	522
Total	19,878

(Tax effect accounting)

1. Breakdown of main causes of occurrence of deferred tax assets and deferred tax liabilities

	Previous fiscal year (as of March 31, 2024)	Current fiscal year (as of March 31, 2025)
Deferred tax assets		
Provision for loyalty points	26 million yen	33 million yen
Allowance for doubtful accounts	97	85
Contract liabilities	65	51
Income taxes payable	149	26
Impairment loss	39	28
Excess depreciation	38	11
Asset retirement obligations	198	311
Filing adjustments for lease transactions	117	123
Shares of subsidiaries and associates	918	885
Investment securities	86	225
Other	36	27
Subtotal of deferred tax assets	1,775	1,811
Valuation allowances	(1,222)	(1,441)
Total deferred tax assets	553	370
Deferred tax liabilities		
Retirement costs on asset retirement obligations	(115)	(207)
Valuation loss on available-for-sale securities	(99)	(84)
Total deferred tax liabilities	(215)	(292)
Net deferred tax assets	338	77

2. Breakdown of major account items generating differences between statutory effective tax rate and income tax rate applicable after application of tax effect accounting

	Previous fiscal year (as of March 31, 2024)	Current fiscal year (as of March 31, 2025)
Statutory effective tax rate	30.6%	30.6%
Items not included in losses permanently, such as entertainment expenses	0.1	0.2
Per capita apportionment of residents' tax	0.2	0.4
Tax deduction under program to increase income	(1.1)	—
Tax deduction under corporate hometown tax program	—	(0.4)
Revision for increase in deferred tax liabilities at end of period due to revised tax rates	—	0.0
Change in amount of valuation allowance	4.6	3.3
Other	(0.4)	(0.3)
Income tax rate applicable after application of tax effect accounting	34.1	33.8

3. Revisions to deferred tax assets and deferred tax liabilities due to revised tax rates on income and other taxes

The Act on Amendment of the Income Tax Act, etc. (Act No. 13 of 2025) was passed by Parliament on March 31, 2025. As a result, the assessment of a special defense tax will begin with fiscal years starting on or after April 1, 2026.

Accordingly, deferred tax assets and deferred tax liabilities related to temporary differences expected to be resolved in fiscal years starting on or after April 1, 2026, have been calculated using a statutory effective tax rate revised from 30.6% to 31.5%. The impact of this tax rate change is immaterial.

(Business combinations)

(Business combinations through acquisition)

Omitted here because the contents remain unchanged from those under “Notes to the consolidated financial statements: (Business combinations, etc.).”

(Revenue recognition)

Omitted here because the contents remain unchanged from that under “Part 5. Accounting: 1. Consolidated financial statements: (1) Notes to the consolidated financial statements: (Revenue recognition).”

## (iv) Additional details for financial statements

**Details of property, plant, and equipment**

Category	Type of asset	Starting balance (million yen)	Increase during period (million yen)	Decrease during period (million yen)	Ending balance (million yen)	Cumulative depreciation (million yen)	Depreciation during period (million yen)	Ending book value after deduction (million yen)
Property, plant, and equipment	Buildings	2,168	239	0	2,407	898	135	1,508
	Structures	44	—	—	44	13	3	30
	Machinery and equipment	2,778	2,581	4	5,355	1,212	382	4,142
	Vehicles	16	14	—	30	14	6	15
	Tools, furniture, and fixtures	1,027	434	8	1,453	524	151	928
	Leased assets	21,876	8	40	21,843	3,751	1,289	18,092
	Construction in progress	1,560	1,210	2,770	—	—	—	—
	Total	29,471	4,488	2,824	31,134	6,415	1,970	24,972
Intangible assets	Trademarks	6	—	—	6	5	0	1
	Software	5,093	677	6 (12)	5,764	4,204	585	1,560
	Software in progress	319	259	484	93	—	—	93
	Total	5,420	936	491 (6)	5,864	4,209	585	1,655

## Notes:

- The amount in parentheses in the "Decrease for the period" column represents the impairment loss recognized for the current period and is an internal figure.
- Major items included in the increase during the period are shown below.
 

Machinery and equipment:	ORD Atsugi Cold Storage Station	2,318 million yen
Machinery and equipment:	ORD Food Rescue Center	215 million yen
Tools, furniture, and fixtures:	ORD Atsugi Cold Storage Station	387 million yen
Software:	ORD Atsugi Cold Storage Station	221 million yen
Software:	Sales administration system	168 million yen
- Starting and ending balances are based on acquisition costs.

**Details of allowances**

Category	Starting balance (million yen)	Increase during period (million yen)	Decrease during period (intended use) (million yen)	Decrease during period (other) (million yen)	Ending balance (million yen)
Allowance for doubtful accounts (current)	261	218	245	15	218
Provision for loyalty points	87	109	58	29	109
Allowance for doubtful accounts (fixed)	58	58	—	58	58

Notes: Decreases during the period (other) in allowance for doubtful accounts and provision for loyalty points are due to reversing entries.

(2) Details of main assets and liabilities

Omitted here because the Company prepares consolidated financial statements.

(3) Other matters

Not applicable

## Section 6. Overview of stock administration of the reporting company

Business year	April 1 through March 31
Regular General Meeting of Shareholders	Held within three months after the end of each business year
Basis date	March 31
Basis dates for dividends of surplus	September 30, March 31
Minimum trading unit of shares	100 shares
Purchase of shares in less than the minimum trading unit	
Agency	Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation 4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo
Administrator of shareholder registry	Mitsubishi UFJ Trust and Banking Corporation 4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo
Brokerage office	—
Purchase fee	None
Method for publication of public notices	Company public notices are published electronically. However, in the event of an incident that makes it impossible to publish notices electronically or under other unavoidable circumstances, public notices are published in the <i>Nihon Keizai Shimbun</i> newspaper. URL for public notices: <a href="http://www.oisixradaichi.co.jp">http://www.oisixradaichi.co.jp</a>
Special benefits for shareholders	Not applicable

Notes: Company shareholders cannot exercise rights other than the following on shares held in less than the minimum trading unit:

- (1) Rights enumerated in the subparagraphs to Article 189, Paragraph 2 of the Companies Act
- (2) Right to present demands under the provisions of Article 166, Paragraph 1 of the Companies Act
- (3) Rights to allocations of shares and stock warrants offered in accordance with the number of shares held

## Section 7. Reference information on the reporting Company

### 1. Parent company or similar party for the reporting Company

The Company has no parent company or similar party as defined by the provisions of Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act.

### 2. Other reference information

The Company submitted the following documents during the period from the start date of the business year through the date on which the Annual Securities Report was submitted.

#### (1) Annual Securities Report, attached documents, and confirmation letter

Submitted to the Director-General of the Kanto Local Finance Office on June 26, 2024, for FY2023 (April 1, 2023 – March 31, 2024)

#### (2) Internal controls report and attached documents

Submitted to the Director-General of the Kanto Local Finance Office on June 26, 2024

#### (3) Semiannual report and confirmation letter

Submitted to the Director-General of the Kanto Local Finance Office on November 14, 2024, for the first half of FY2024 (April 1, 2024–September 30, 2024)

#### (4) Irregular reports

Irregular reports under the provisions of Article 19, Paragraph 2, Subparagraph 19 of the Cabinet Office Order on Disclosure of Corporate Affairs (matters having material impacts on financial standing, business results, and cash flows)

Submitted to the Director-General of the Kanto Local Finance Office on May 15, 2024

Irregular reports under the provisions of Article 19, Paragraph 2, Subparagraph 9-2 of the Cabinet Office Order on Disclosure of Corporate Affairs (results of exercise of voting rights in general meetings of shareholders)

Submitted to the Director-General of the Kanto Local Finance Office on June 27, 2024

#### (5) Report on status of purchase of treasury stock certificates

Submitted to the Director-General of the Kanto Local Finance Office on June 12, 2024, July 4, 2024, August 7, 2024, September 6, 2024, October 15, 2024, and November 11, 2024.

#### (6) Correction reports and confirmation letters on the Annual Securities Report

Submitted to the Director-General of the Kanto Local Finance Office on July 25, 2024, for FY2023 (April 1, 2023–March 31, 2024)

Submitted to the Director-General of the Kanto Local Finance Office on March 31, 2025, for FY2023 (April 1, 2023–March 31, 2024)

#### (7) Correction report on the internal controls report

Submitted to the Director-General of the Kanto Local Finance Office on March 31, 2025, for FY2023 (April 1, 2023–March 31, 2024)

#### (8) Correction reports and confirmation letters on the semiannual report

Submitted to the Director-General of the Kanto Local Finance Office on March 31, 2025, for the first half of FY2024 (April 1, 2024–September 30, 2024)



## Part 2. Information on the reporting Company's guarantor

Not applicable

# Independent auditor's audit report and internal controls audit report

June 25, 2025

To the Board of Directors of Oisix ra daichi Inc.

Deloitte Touche Tohmatsu LLC

Tokyo Office

Engagement Partner

Koichi Yano, CPA

Engagement Partner

Mitsuyasu Nakagiri, CPA

Engagement Partner

Kenji Oyama, CPA

<Audit of consolidated financial statements>

## **Auditor's opinion**

We have audited the consolidated financial statements of Oisix ra daichi Inc. for the consolidated fiscal year from April 1, 2024, through March 31, 2025, for the purposes of auditing and verification pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act. We have audited the Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Statement of Changes to Shareholders' Equity, Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows, important matters serving as bases for the preparation of the consolidated financial statements, and other notes to and attendant details of the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above fairly present all material aspects regarding financial status as of March 31, 2025 and the business performance and cash flows in the fiscal year ending on that date of Oisix ra daichi Inc. and its consolidated subsidiaries, in full compliance with generally accepted principles of corporate accounting in Japan.

## **Evidence for the auditor's opinion**

We conducted our audit in accordance with accepted principles of auditing in Japan. Our responsibilities under these principles of auditing are described under "The responsibilities of the auditor in auditing the consolidated financial statements." In accordance with the rules governing professional ethics in Japan, we are independent from the Company and its consolidated subsidiaries and fulfill all other ethical responsibilities of an auditor. We believe we have obtained and established sufficient and appropriate grounds to serve as the basis for the statement of our opinion regarding the audit.

## Important matters considered in the audit

Important matters considered in the audit are matters judged particularly important by the auditors, as professionals, in auditing the consolidated financial statements for this consolidated fiscal year. Important matters considered in the audit involve the process of auditing the consolidated financial statements as a whole and the formation of the auditor's opinion. They are not meant to express our opinions on the specifics concerning relevant matters.

Evaluation of goodwill and customer-related assets associated with SHIDAX CORPORATION	
Details of important matters considered in the audit and reasons for decision	Handling in our audit
<p>Oisix ra daichi Inc. ("Company" hereinafter) recorded on the Consolidated Balance Sheet for the consolidated fiscal year under review goodwill of 14,837 million yen and customer-related assets of 24,476 million yen. As noted under "Notes: (Significant accounting estimates)," of these amounts 12,539 million yen of goodwill and the entire amount of customer-related assets were recorded because of having made SHIDAX CORPORATION and its subsidiaries ("SHiDAX Group" hereinafter) consolidated subsidiaries. Their total amount corresponds to 27.5% of total assets.</p> <p>Of the reportable segments described under "Notes: (Segment information, etc.)," the SHiDAX Group engages in the three businesses of the food service business included in the BtoB Subscription Business, the Social Services Business, and the Vehicle Operation Services Business. Goodwill and customer-related assets were recorded for these businesses.</p> <p>While the rules call for amortization of this goodwill and these customer-related assets, in a case in which there are concerns that business results could be much lower than in the business plans projected at the time of making the company's subsidiaries, harming their surplus earning ability, it is necessary to identify signs of impairment and determine whether to recognize an impairment loss.</p> <p>In determining whether there are any signs of impairment, in addition to analyzing divergence from SHiDAX Group business plans anticipated when making the Group a subsidiary, the Company also considers whether there has been any marked decrease in the value of these assets as a result of revisions to future business plans. As a result, the Company has determined that there are no signs of impairment on these assets in the consolidated fiscal year under review.</p> <p>Important assumptions included in the business plans on which this evaluation is based are the rates of growth in sales, rates of decrease in customers, and inflation in the subject businesses. These assumptions involve uncertainty and require judgment by management.</p> <p>For the above reasons, we have determined that evaluation of goodwill and customer-related assets associated with SHIDAX CORPORATION is an important matter to be considered in the audit because it involves assumptions and judgment by management and is material to the consolidated balance sheet.</p>	<p>We have implemented the following audit procedures in considering evaluation of goodwill and customer-related assets associated with the SHiDAX Group.</p> <ol style="list-style-type: none"> <li>(1) Evaluation of internal controls We gained an understanding of internal controls related to determination of signs of impairment in the asset group, including intangible assets, and evaluated the state of their maintenance and the efficacy of their operation.</li> <li>(2) Consideration of signs of impairment <ul style="list-style-type: none"> <li>• Together with comparative analysis of the business plans of the SHiDAX Group anticipated when making it a subsidiary and actual results, we questioned the management of the Company and the SHiDAX Group regarding the causes of any differences between these.</li> <li>• Based on the results of analysis of differences between business plans and actual results in each business, we perused related materials and questioned management regarding the need for revisions to business plans anticipated when making the SHiDAX Group a subsidiary and whether there have been any marked decreases in the value of goodwill or customer-related assets.</li> <li>• Together with perusing materials prepared by the Company on determination of signs of impairment, we compared these with related materials serving as their underlying data.</li> <li>• We evaluated the reasonableness of business plans through the following procedures to assess the propriety of material assumptions. <ul style="list-style-type: none"> <li>● For rates of growth in sales, we employed comparison with actual results in past fiscal years and long-term inflation-rate forecasts published by external agencies.</li> <li>● For rates of decrease in customers, we employed comparative analysis of the figures in business plans formulated when making the SHiDAX Group a subsidiary with actual results; ascertained the causes of any differences in these; and questioned management and perused related materials regarding future.</li> <li>● For the impact of rising prices on projected costs, we employed comparison with price indices published by external agencies.</li> </ul> </li> </ul> </li> </ol>

### **Other published information**

Other published information, etc. refers to information included in the Annual Securities Report other than the consolidated and non-consolidated financial statements and the audit reports thereon. Management's responsibility is to prepare and disclose other published information. The Corporate Auditor's and audit firm's responsibility is to monitor the performance of the directors in the maintenance and operation of the reporting process for other published information.

Other published information is not included in the subject of our audit opinion on the consolidated financial statements, and we do not state an opinion on other published information.

Our responsibility in auditing the consolidated financial statements is to review the other published information and, in the process of that review, to watch for any material discrepancies between the other published information and the consolidated financial statements or information we have obtained in the process of our audit and for any signs of material errors in the other published information aside from such material discrepancies.

We are expected to report any material errors we have identified in the other published information through the processes we have implemented.

We have found nothing worth reporting regarding the other published information.

### **The responsibilities of management, the Corporate Auditors, and the Board of Auditors regarding the consolidated financial statements**

Management is responsible for the suitable preparation of consolidated financial statements that comply with and meet accepted corporate accounting standards and principles of corporate accounting in Japan. This includes the development and operation of internal controls deemed necessary by management for the purpose of preparation of consolidated financial statements that present information accurately and are free of material misrepresentations due to malfeasance or error.

In preparing the consolidated financial statements, management is responsible for assessing the propriety of preparing consolidated financial statements based on the going-concern assumption and disclosing, as necessary, matters related to the going-concern assumption in accordance with accepted principles of corporate accounting in Japan.

The Corporate Auditors and the Board of Auditors are responsible for monitoring the performance of the duties of the directors in maintenance and operation of the financial reporting process.

### **The responsibilities of the auditor in auditing the consolidated financial statements**

Our responsibilities are to secure, based on our audit, reasonable assurance concerning whether the consolidated financial statements are free of material misrepresentations due to malfeasance or error and to state, in the audit report, an independent opinion on the consolidated financial statements. Misstatements may arise due to malfeasance or error. A statement is deemed to constitute a material mistake if it can be expected to impact decision-making by users of the consolidated financial statements, either individually or in sum.

Through the audit process in accordance with accepted principles of auditing in Japan, we implemented the following procedures based on our judgment as specialists and a professional spirit of skeptical inquiry:

- Identification and assessment of the risks of material misrepresentations due to malfeasance or error; drafting and implementation of audit procedures suited to the risks of material misrepresentation; making judgments on selection and application of audit procedures; and securing sufficient and appropriate audit evidence to serve as the basis for statement of our opinion.
- While the purpose of an audit is not to offer an opinion on the efficacy of internal controls, in assessing risks, we do consider internal controls related to the audit to formulate audit procedures appropriate to the circumstances.
- We assess the propriety of the accounting policies adopted by management and their methods of application as well as the reasonability of accounting estimates made by management and the appropriateness of related notes.
- We reach a conclusion on whether the management's preparation of consolidated financial statements based on the going-concern assumption is appropriate and whether, based on the audit evidence obtained, any material uncertainties can be identified with regard to phenomena or circumstances that may warrant material doubts regarding the going-concern assumption. If any material uncertainties are recognized regarding the going-concern assumption, attention must be drawn to the notes to the consolidated financial statements in the audit report. If the notes to the consolidated financial statements concerning material uncertainties are inappropriate, a qualified opinion must be expressed that mentions certain exceptions to the consolidated financial statements. The auditor's conclusions are based on the audit evidence obtained through the date of the audit report, and there is a possibility that

future events or conditions could make it impossible for the Company to continue as a going concern.

- We assess whether the presentation and notes in the consolidated financial statements conform to the generally accepted principles of corporate accounting in Japan; the presentation, structures, and content of the consolidated financial statements, including related notes; and whether the consolidated financial statements accurately present the transactions and accounting facts on which they are based.
- We plan and perform auditing of the consolidated financial statements to obtain sufficient and appropriate audit evidence concerning the financial information of the Company and its consolidated subsidiaries to serve as the basis for the statement of our opinion regarding the consolidated financial statements. We are responsible for instructions, oversight, and inspection related to auditing of the consolidated financial statements. We are responsible for expressing an independent audit opinion.

We report to the Corporate Auditors and the Board of Auditors on the scope and timing of the planned audit; any material discoveries of the audit, including material deficiencies in internal controls systems identified in the process of auditing; and other matters required under auditing standards.

We report to the Corporate Auditors and the Board of Auditors on the fact that we maintain independence in accordance with the rules governing professional ethics in Japan and on any safeguards taken to eliminate or mitigate to tolerable levels any impediments and other matters that reasonably may be considered to impact the independence of auditors.

We identify as important matters to be considered in the audit matters judged to be especially important in audits of the consolidated financial statements for this consolidated fiscal year from among those items we have discussed with the Corporate Auditors and the Board of Auditors and describe these in the audit report. However, such items are not described in cases such as when their disclosure is prohibited under laws, regulations, etc. or the extremely rare cases in which we have determined that they should not be reported because the disadvantages of reporting them in the audit report would reasonably be considered to exceed any public benefit from their disclosure.

#### <Audit of internal controls>

##### **Auditor's opinion**

We have audited the Internal Controls Report of Oisix ra daichi Inc. as of March 31, 2025, for the purposes of auditing and verification pursuant to the provisions of Article 193-2, Paragraph 2 of the Financial Instruments and Exchange Act.

In our opinion, the above Internal Controls Report indicating that the internal controls of Oisix ra daichi Inc. are valid with regard to financial reporting as of March 31, 2025 conforms to the standards on assessment of internal controls related to financial reporting generally accepted in Japan and accurately presents the results of assessment of internal controls related to financial reporting on all material points.

##### **Evidence for the auditor's opinion**

We conducted our audit of internal controls in accordance with accepted principles of auditing of internal controls related to financial reporting in Japan. Our responsibilities under these principles of auditing of internal controls related to financial reporting are described under "The responsibilities of the auditor in audits of internal controls." In accordance with the rules governing professional ethics in Japan, we are independent from the Company and its consolidated subsidiaries and fulfill all other ethical responsibilities of an auditor. We believe we have obtained sufficient and appropriate grounds to serve as the basis for the statement of our opinion regarding the audit.

##### **The responsibilities of management, the Corporate Auditors, and the Board of Auditors regarding the Internal Controls Report**

Management is responsible for the development and operation of internal controls on financial reporting and for preparing and disclosing the Internal Control Report in compliance with the standards on assessment of internal controls related to financial reporting accepted in Japan.

The Corporate Auditors and the Board of Auditors are responsible for monitoring and verifying the states of maintenance and operation of internal controls related to financial reporting.

It might not be possible to completely prevent or detect misrepresentation in financial reports through internal controls on financial reporting.

### **The responsibilities of the auditor in audits of internal controls**

Our responsibilities are to secure, based on our audit, reasonable assurance concerning whether the Internal Controls Report is free of material misrepresentation and to state, in the internal controls audit report, an independent opinion on the Internal Controls Report.

Through the audit process in accordance with accepted principles of auditing of internal controls related to financial reporting in Japan, we implemented the following procedures based on our judgment as specialists and a professional spirit of skeptical inquiry:

- Audit procedures to obtain the audit evidence regarding the results of assessment of internal controls related to financial reporting in the Internal Controls Report; the auditor has the option of choosing to apply and implement audit procedures for internal controls based on its assessment of the importance of their impact on the reliability of financial reporting;
- Consideration of the overall presentation of the Internal Controls Report, including the scope of assessment of internal controls related to financial reporting, assessment procedures, and management's description of the results of assessment.
- Planning and performing auditing of internal controls to obtain sufficient and appropriate audit evidence concerning the results of assessment of internal controls related to financial reporting in the Internal Controls Report. We are responsible for instructions, oversight, and inspection related to auditing of the Internal Controls Report. We are responsible for expressing an independent audit opinion.

We report to the Corporate Auditors and the Board of Auditors on the scope and timing of the planned internal-controls audit; any material discoveries of the audit; material deficiencies to be disclosed in internal controls systems identified in the process of auditing and results of correction measures for them; and other matters required under internal-controls auditing standards.

We report to the Corporate Auditors and the Board of Auditors on the fact that we maintain independence in accordance with the rules governing professional ethics in Japan and on any safeguards taken to eliminate or mitigate any impediments and other matters that may reasonably be considered to impact the independence of auditors.

#### **<Remuneration information>**

Amounts of remuneration paid to us and members of our network for audit certification of the Company and its subsidiaries and non-audit operations are described under "Status of corporate governance, etc.: (3) Auditing" included under "Status of the reporting company."

### **Conflicts of interest**

No conflicts of interest between the Company and its consolidated subsidiaries and our firm or the Engagement Partners warrant disclosure under the provisions of the Certified Public Accountants Act.

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#### **Notes:**

1. The originals of the reports above are retained separately by the Company (the company submitting the Annual Securities Report).
2. XBRL data are not included in the subjects of auditing.

# Independent auditor's audit report

June 25, 2025

To the Board of Directors of Oisix ra daichi Inc.

Deloitte Touche Tohmatsu LLC

Tokyo Office

Engagement Partner

Koichi Yano, CPA

Engagement Partner

Mitsuyasu Nakagiri, CPA

Engagement Partner

Kenji Oyama, CPA

<Audit of financial statements>

## **Auditor's opinion**

We have audited the financial statements of Oisix ra daichi Inc. for the fiscal year from April 1, 2024, through March 31, 2025, for the purposes of auditing and verification pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act. We have audited the Balance Sheet, Income Statement, Statement of Changes to Shareholders' Equity, important accounting policies, and other notes to and attendant details of the financial statements.

In our opinion, the financial statements referred to above fairly present all material aspects regarding financial status as of March 31, 2025 and the business performance and cash flow in the fiscal year ending on that date of Oisix ra daichi Inc., in full compliance with generally accepted principles of corporate accounting in Japan.

## **Evidence for the auditor's opinion**

We conducted our audit in accordance with accepted principles of auditing in Japan. Our responsibilities under these principles of auditing are described under "The responsibilities of the auditor in auditing the financial statements." In accordance with the rules governing professional ethics in Japan, we are independent from the Company and fulfill all other ethical responsibilities of an auditor. We believe we have obtained and established sufficient and appropriate grounds to serve as the basis for the statement of our opinion regarding the audit.

### Important matters considered in the audit

Important matters considered in the audit are matters judged particularly important by the auditors, as professionals, in auditing the financial statements for this fiscal year. Important matters considered in the audit involve the process of auditing the financial statements as a whole and the formation of the auditor's opinion. They are not meant to express our opinions on the specifics concerning relevant matters.

Necessity of recording loss on valuation of shares of subsidiaries and associates	
Details of important matters considered in the audit and reasons for decision	Handling in our audit
<p>The balance sheet of Oisix ra daichi Inc. ("Company" hereinafter) for this fiscal year records 19,878 million yen in shares of subsidiaries and associates. This amount accounts for 27.3% of total assets. As noted under "Notes: (Significant accounting estimates)," this includes a book value of 14,192 million yen on shares in the consolidated subsidiary SHiDAX HOLDINGS CORPORATION, which accounts for 71.4% of all shares of subsidiaries and associates.</p> <p>Reflecting the Company's surplus earning ability and other factors, the shares of stock in SHiDAX HOLDINGS CORPORATION were acquired at comparatively soaring prices relative to its net asset value. The Company's policy calls for processing of impairment in the event that the effective value of these shares were to decrease markedly due to decreases in surplus earning ability and other factors in subsequent periods and such conditions were expected to continue into future periods even though there had been no worsening of the financial position of the issuer. SHiDAX HOLDINGS CORPORATION is the parent company of the consolidated subsidiary SHIDAX CORPORATION.</p> <p>In evaluating its investment in SHiDAX HOLDINGS CORPORATION, the Company also evaluates the investment in SHIDAX CORPORATION and its subsidiaries.</p> <p>In the business year under review, the Company determined that there was no need to record a loss on valuation of shares because the results of review of the state of achievement of the business plans anticipated at the time of acquiring the shares and consideration of the feasibility of realizing the business plans showed no loss of surplus earning ability.</p> <p>As noted under "Notes: (Significant accounting estimates)," business plans employ highly uncertain assumptions such as the rates of growth in sales, rates of decrease in customers, and inflation. These assumptions could have a material impact on management's determination of whether there has been any loss of surplus earning ability.</p> <p>We have identified the necessity of recording a valuation loss on shares of subsidiaries and associates with no market prices as an important matter to be considered in the audit for the reasons above.</p>	<p>We have implemented the following audit procedures in considering the necessity of recording a valuation loss on shares of subsidiaries and associates.</p> <ul style="list-style-type: none"><li>• We perused the accounting policies on valuation of securities to grasp the Company's effective value calculation process.</li><li>• We compared the book value and effective value of shares of stock in SHiDAX HOLDINGS CORPORATION to consider whether determination of whether there has been a marked decrease in effective value is conducted appropriately.</li><li>• Regarding matters such as surplus earning ability adjusted for effective value, we employed the auditing described under "Important matters considered in the audit: Evaluation of goodwill and customer-related assets associated with SHIDAX CORPORATION" in the report on the audit of consolidated financial statements to consider whether there had been any marked decrease in value.</li></ul>

### Other published information

Other published information, etc. refers to information included in the Annual Securities Report other than the consolidated and non-consolidated financial statements and the audit reports thereon. Management's responsibility is to prepare and disclose other published information. The Corporate Auditor's and audit firm's responsibility is to monitor the performance of the directors in the maintenance and operation of the reporting process for other published information.

Other published information is not included in the subject of our audit opinion on the consolidated financial statements, and we do not state an opinion on other published information.

Our responsibility in auditing the financial statements is to review the other published information and, in the process of that review, to watch for any material discrepancies between the other published information and the financial statements or information we have obtained in the process of our audit and for any signs of material errors in the other published information aside from such material discrepancies.



We are expected to report any material errors we have identified in the other published information through the processes we have implemented.

We found nothing worthy of reporting regarding the other published information.

### **The responsibilities of management, the Corporate Auditors, and the Board of Auditors regarding financial statements**

Management is responsible for the suitable preparation of financial statements that comply with and meet accepted corporate accounting standards and principles of corporate accounting in Japan. This includes the development and operation of internal controls deemed necessary by management for the purpose of preparing financial statements that present information accurately and are free of material misrepresentations due to malfeasance or error.

In preparing the financial statements, management is responsible for assessing the propriety of preparing financial statements based on the going-concern assumption and disclosing, as necessary, matters related to the going-concern assumption in accordance with accepted principles of corporate accounting in Japan.

The Corporate Auditors and the Board of Auditors are responsible for monitoring the performance of the duties of the directors in maintenance and operation of the financial reporting process.

### **The responsibilities of the auditor in auditing the financial statements**

Our responsibilities are to secure, based on our audit, reasonable assurance concerning whether the financial statements are free of material misrepresentations due to malfeasance or error and to state, in the audit report, an independent opinion on the financial statements. Misstatements may arise due to malfeasance or error. A statement is deemed to constitute a material misstatement if it can be expected to impact decision-making by users of the financial statements, either individually or in sum.

Through the audit process in accordance with accepted principles of auditing in Japan, we implemented the following procedures based on our judgment as specialists and a professional spirit of skeptical inquiry:

- Identification and assessment of the risks of material misrepresentations due to malfeasance or error; drafting and implementation of audit procedures suited to the risks of material misrepresentation; making judgments on selection and application of audit procedures; and securing sufficient and appropriate audit evidence to serve as the basis for statement of our opinion.
- While the purpose of an audit is not to offer an opinion on the efficacy of internal controls, in assessing risks, we do consider internal controls related to the audit, to formulate audit procedures appropriate to the circumstances.
- We assess the propriety of the accounting policies adopted by management and their methods of application as well as the reasonability of accounting estimates made by management and the appropriateness of related notes.
- We reach a conclusion on whether the management's preparation of financial statements based on the going-concern assumption is appropriate and whether, based on the audit evidence obtained, any material uncertainties can be identified with regard to phenomena or circumstances that may warrant material doubts regarding the going-concern assumption. If any material uncertainties are recognized regarding the going-concern assumption, attention must be drawn to the notes on the financial statements in the audit report. If the notes to the financial statements concerning material uncertainties are inappropriate, a qualified opinion must be expressed that mentions certain exceptions to the financial statements. The auditor's conclusions are based on the audit evidence obtained through the date of the audit report, and there is a possibility that future events or conditions could make it impossible for the Company to continue as a going concern.
- We assess whether the presentation and notes in the financial statements conform to the generally accepted principles of corporate accounting in Japan; the presentation, structures, and content of the financial statements, including related notes; and whether the financial statements accurately present the transactions and accounting facts on which they are based.

We report to the Corporate Auditors and the Board of Auditors on the scope and timing of the planned audit; any material discoveries of the audit, including material deficiencies in internal controls systems identified in the process of auditing; and other matters required under auditing standards.

We report to the Corporate Auditors and the Board of Auditors on the fact that we maintain independence in accordance with the rules governing professional ethics in Japan and on any safeguards taken to eliminate or mitigate any impediments and other matters that may reasonably be considered to impact the independence of auditors.

We identify as important matters to be considered in audit matters judged to be especially important in audits of the financial statements for this fiscal year from among those items we have discussed with the Corporate Auditors and the Board of Auditors and describe these in the audit report. However, such items are not described in cases such as when their disclosure is prohibited under laws, regulations, etc. or the extremely rare cases in which we have determined that they should not be reported because the disadvantages of reporting them in the audit report would reasonably be considered to exceed any public benefit from their disclosure.

<Remuneration information>

Remuneration information is described in the audit report to the consolidated financial statements.

### **Conflicts of interest**

No conflicts of interest between the Company and our firm or the Engagement Partners warrant disclosure under the provisions of the Certified Public Accountants Act.

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Notes:

1. The originals of the reports above are retained separately by the Company (the company submitting the Annual Securities Report).
2. XBRL data are not included in the subjects of auditing.

