

Annual Securities Report

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

Business year From April 1, 2025,
(FY2025) through March 31, 2026

Oisix ra daichi Inc.

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

(E27260)

Annual Securities Report

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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Part 1. Company Information

Section 1. Company overview

1. Trends in major KPI

(1) Consolidated KPI

Term		FY2021	FY2022	FY2023	FY2024	FY2025
Fiscal year-end		March 2022	March 2023	March 2024	March 2025	March 2026
Net sales	(million yen)	113,476	115,176	148,408	256,009	251,419
Ordinary profit	(million yen)	4,153	2,810	4,420	6,561	6,840
Profit attributable to owners of the parent	(million yen)	2,727	1,807	4,108	3,638	4,527
Comprehensive income	(million yen)	2,968	2,319	3,378	3,680	4,414
Total net assets	(million yen)	23,872	26,140	37,401	39,487	29,069
Total assets	(million yen)	52,634	64,502	143,709	134,564	108,137
Net assets per share	(yen)	605.63	672.84	794.83	874.72	786.67
Earnings per share	(yen)	74.64	49.45	112.38	103.13	130.34
Diluted earnings per share	(yen)	74.60	–	–	–	–
Equity ratio	(%)	42.0	38.1	20.2	22.6	25.3
Return on equity	(%)	13.2	7.7	15.3	12.2	15.7
Price/earnings	(times)	40.4	46.5	11.6	13.0	10.9
Net cash provided by (used in) operating activities	(million yen)	924	5,306	7,722	3,496	9,284
Net cash provided by (used in) investing activities	(million yen)	(4,110)	(12,135)	(10,815)	(12,451)	2,037
Net cash provided by (used in) financing activities	(million yen)	636	8,265	17,735	(1,551)	(9,186)
Cash and cash equivalents at end of period	(million yen)	13,033	14,720	29,440	18,955	21,091
Number of employees [Average number of temporary employees, not included above]	(persons)	986 [799]	1,032 [859]	11,456 [29,061]	11,818 [31,533]	8,196 [32,315]

Note:

- Diluted earnings per share for FY2022, FY2023, FY2024 and FY2025 is not disclosed because there were no dilutive potential shares.

(2) KPI of the reporting company

Term		FY2021	FY2022	FY2023	FY2024	FY2025
Fiscal year-end		March 2022	March 2023	March 2024	March 2025	March 2026
Net sales	(million yen)	101,541	102,821	104,580	100,297	103,193
Ordinary profit	(million yen)	4,036	4,230	5,802	5,745	4,799
Profit	(million yen)	2,544	2,605	5,737	3,578	802
Share capital	(million yen)	3,994	3,995	3,995	3,995	3,995
Total number of shares outstanding	(share)	38,014,892	38,028,092	38,028,092	38,028,092	36,940,000
Total net assets	(million yen)	21,821	24,558	30,367	31,607	32,081
Total assets	(million yen)	48,623	61,722	80,739	72,815	87,502
Net assets per share	(yen)	597.12	671.75	830.67	910.01	923.68
Dividends per share [Interim dividends per share]	(yen)	– [–]	– [–]	– [–]	– [–]	20.00 [8.00]
Earnings per share	(yen)	69.64	71.27	156.93	101.43	23.10
Diluted earnings per share	(yen)	69.60	–	–	–	–
Shareholders' equity ratio	(%)	44.9	39.8	37.6	43.4	36.7
Return on equity	(%)	12.4	11.2	20.9	11.5	2.5
Price/earnings	(times)	43.3	32.2	8.3	13.2	61.5
Payout ratio	(%)	–	–	–	–	86.6
Number of employees [Average number of temporary employees, not included above]	(persons)	785 [759]	787 [829]	794 [872]	800 [912]	916 [955]
Total shareholder return [For comparison: TOPIX including dividends index]	(%) (%)	103.4 [102.0]	78.8 [107.9]	44.7 [152.5]	46.0 [150.2]	49.4 [202.8]
Highest share price	(yen)	5,220	3,370	3,035	1,710	1,997
Lowest share price	(yen)	2,224	1,411	1,093	1,052	1,014

Notes:

1. Diluted earnings per share for FY2022, FY2023, FY2024 and FY2025 is not disclosed because there were no potential shares.
2. Maximum and minimum share prices for FY2021 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.
3. The benchmark for Total Shareholder Return (TSR) was changed from TOPIX to TOPIX including dividends, starting from FY2025 (previously TOPIX was used up to FY2024)."

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. (present Recruit Holdings Co., Ltd.)
November 2010	First brick-and-mortar store opens inside Ebisu Mitsukoshi Department Store in Shibuya-ku, Tokyo
January 2011	Gochimaru Inc., a joint venture with Recruit Corp. (present Recruit Holdings Co., Ltd.), begins operating
November 2011	Wellness Co., Ltd. made a 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 (present 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 it a subsidiary
March 2017	Daichi wo Mamoru Kai Co., Ltd., a distributor of fruits, vegetables, meat, and seafood and additive-free processed food products, made a 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 Technology 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 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	Seven Work Co., Ltd. (present Toyosu Gyosho Sanchoku Ichiba 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 Co., Ltd., 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 (present Niigata Professional Baseball Club, Inc.), Oisix Niigata Albirex Baseball Club launched
January 2024	SHiDAX CORPORATION made subsidiary nonpi Inc. (present BONDISH Inc.) which plans and operates kitchen-less company cafeterias, made subsidiary
March 2024	Agrigate Co., Ltd. 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
September 2025	Made subsidiaries that operate the Food Services Business and Social Services Business (ORD Food Service Holdings Inc., SHiDAX Human & Food Services, Inc., and seven other companies) into wholly owned subsidiaries through the corporate reorganization of the SHiDAX Group.
October 2025	Transferred all shares of SHiDAX HOLDINGS CORPORATION, SHiDAX CORPORATION, DAISHINTO Inc., and five other companies, which had been classified under the Vehicle Operation Service Business and Other Businesses.
April 2026	Transferred all shares of CRAZY KITCHEN Co., Ltd. to BONDISH Inc., a subsidiary of the Company, making CRAZY KITCHEN Co., Ltd. a wholly owned subsidiary of BONDISH Inc.

3. Description of business

The Group (the Company and its affiliates) consists of the Company and its 29 consolidated subsidiaries (Three Limes, Inc. (Purple Carrot), Future Food Fund, Inc., Tokushimaru Inc., SHiDAX Human & Food Services Inc., SHiDAX CONTRACT FOOD SERVICE CORPORATION, SHiDAX FOOD SERVICE CORPORATION, SLOGIX CORPORATION, SHiDAX DAISHINTO HUMAN SERVICE Inc., HiOLI Inc., Agrigate Co., Ltd., BONDISH Inc., Toyosu Gyosho Sanchoku Ichiba Co., Ltd., and other subsidiaries and three equity-method affiliates (Nihon Agri, Inc., WELCOME Co., Ltd., Niigata Professional Baseball Club, Inc.).

The Company and its consolidated subsidiaries and affiliates are grouped into the four reportable segments: B2C Subscription Business; B2B Subscription Business; Social Services Business; and Other Businesses. Effective from the fiscal year ended March 31, 2026, the reportable segments have been changed. For details, please refer to 'Section 5. Accounting – 1. Consolidated financial statements – (1) Consolidated financial statements – Notes (Segment information).'

(1) B2C Subscription Business

We operate a home delivery service that delivers high value-added food products with low environmental impact, such as fresh fruits and vegetables, processed food items, and meal kits, as well as daily necessities and miscellaneous goods, in response to customer orders placed via our website and catalogs. These products are produced and delivered in accordance with our unique cultivation and production standards.

(2) B2B Subscription Business

This business consists of the wholesale distribution of food ingredient to nurseries, as well as the contracted operation and management of food services for company and government employee cafeterias, schools, and nurseries. It also includes healthcare food services for hospital inpatients, catering services for nursing care facilities for the elderly, the management of school lunch programs commissioned by local governments, and the sale of food ingredient to the food service industry.

(3) Social Services Business

We contract the operation, management, and facility maintenance of after-school clubs (after-school care services), libraries, and children's centers commissioned by local governments. Additionally, we provide various outsourcing services to private companies.

(4) Other Businesses

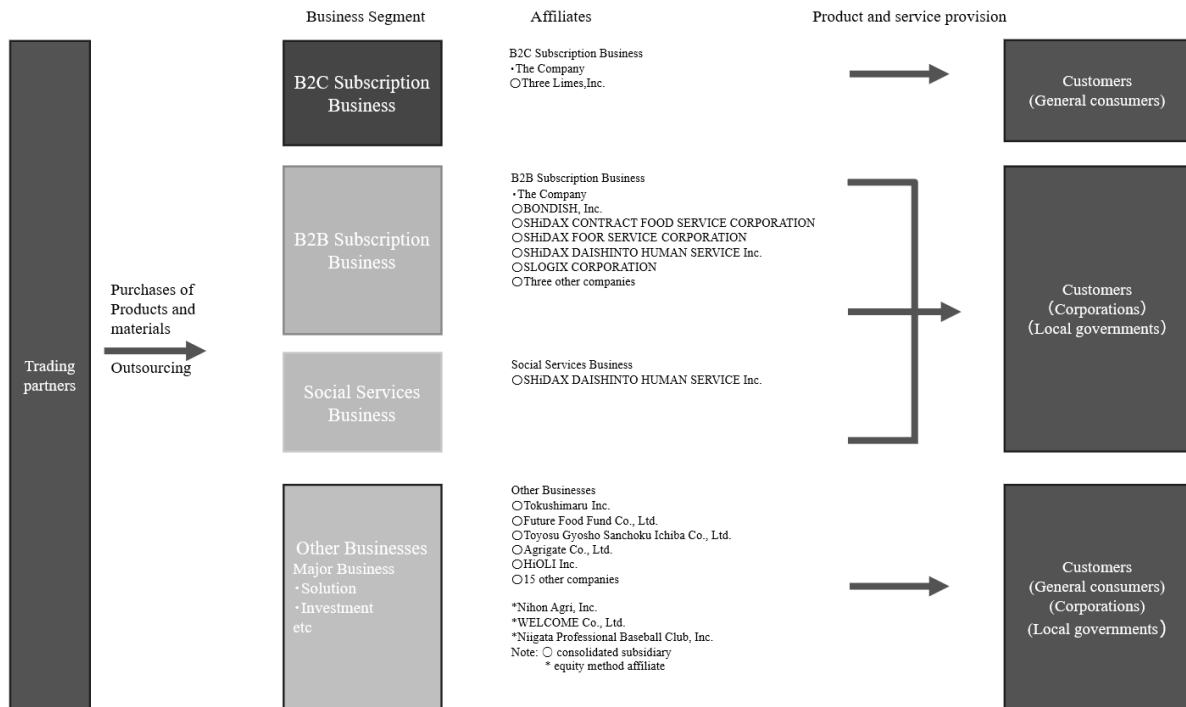
This segment includes an e-commerce support business for other companies, mobile supermarket services, and an investment business.

During the current fiscal year, the Group realigned its performance management categories to better reflect its strategic business operations, with the aim of concentrating and optimizing management resources on its core B2C Subscription and B2B Subscription Businesses. As a result, the Group has changed the classification of its reportable segments.

Food service (School Lunch), which was previously classified as "Social Services Business," has been reclassified to "B2B Subscription Business" due to the high similarity in business characteristics with those of the meal services business for elderly care facilities, nurseries, and company cafeterias, which are the main businesses of the Group's B2B Subscription Business.

The organizational structure of our business operations described above is illustrated in the diagram below.

Business diagram



4. Information on 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 ingredient delivery in the U.S.	100 (100)	Concurrent positions held by officers
Future Food Fund Co., Ltd.	Shinagawa-ku, Tokyo	15	Investment management	100	Concurrent positions held by officers Outsourcing
Tokushimaru Inc.	Tokushima, Tokushima Prefecture	10	Mobile supermarket business	90	Concurrent positions held by officers Outsourcing
SHiDAX Human & Food Services, Inc. (Notes 2)	Chofu, Tokyo	100	Management instructions for business subsidiaries and performance of their outsourced indirect operations	100 (100)	Concurrent positions held by officers Outsourcing
SHiDAX CONTRACT FOOD SERVICE CORPORATION (Note 2)	Chofu, Tokyo	100	Outsourced food provision/management services at company/school cafeterias, etc.	100 (100)	Concurrent positions held by officers Business transactions
SHiDAX FOOD SERVICE CORPORATION (Note 2)	Chofu, Tokyo	100	Outsourced food provision services for hospitals, elderly facilities, nursery schools, etc.	100 (100)	Concurrent positions held by officers Business transactions
SLOGIX CORPORATION (Note 2)	Chofu, Tokyo	90	Sale of food ingredient and consumables for use by the food service industry	100 (100)	Concurrent positions held by officers Business transactions
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	100 (100)	—
HiOLI Inc. (Note 2)	Setagaya-ku, Tokyo	10	Manufacture and sale of ice cream products, confectionery, etc.	58 (0.2)	Concurrent posting of officers
Agrigate Co., Ltd	Shinagawa-ku, Tokyo	10	Production and sale of agricultural produce and foodstuffs	54	Concurrent posting of officers Business transactions
BONDISH, Inc.	Chiyoda-ku, Tokyo	69	Restaurant management, operation of company cafeteria without kitchen	51	Concurrent posting of officers Business transactions
Toyosu Gyosho Sanchoku Ichiba Co., Ltd.	Ota-ku, Tokyo	40	Purchase and wholesaling of seafood products	51	Concurrent positions held by officers Business transactions
17 other companies	—	—	—	—	—
(Equity method affiliates)					
Nihon Agri, Inc.	Shinagawa-ku, Tokyo	100	Export of agricultural products from Japan	34	Concurrent positions held by officers
WELCOME Co., Ltd.	Meguro-ku, Tokyo	50	Lifestyle businesses centered on retail and food service	26	Concurrent positions held by officers
Niigata Professional Baseball Club, Inc.	Niigata, Niigata Prefecture	100	Professional baseball team operation	34	Concurrent positions held by officers Business transactions

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, and Oisix Shanghai Co., Ltd.
- Percentages of voting rights in parentheses are those held indirectly. These voting rights are included in the total percentages of voting rights held.

3. For consolidated subsidiaries whose net sales (excluding inter-company sales) account for more than 10% of consolidated net sales, major financial information is as follows.

(Unit: million yen)

Company	Net sales	Ordinary income (loss)	Net income (loss)	Net assets	Total assets
SHiDAX FOOD SERVICE CORPORATION	33,961	(149)	(215)	(53)	7,636
SHiDAX DAISHINTO HUMAN SERVICE Inc.	58,611	2,036	1,744	1,887	10,984

Section 2. Business Overview

1. Management policies, operating environment, and management issues

Forward-looking statements contained in this report are based on the judgments made by the Group as of the end of the fiscal year under review.

(1) Management policy

Our Group's corporate philosophy is "Farm for Tomorrow, Table for Tomorrow," and our mission is to address social issues through our business operations. We operate by considering how we can help our customers lead delicious, enjoyable, and healthy dietary lives.

In the current unstable environment, we are strengthening our awareness of our role as a service that supports infrastructure for daily living, and we will strive to be of service to everyone.

(2) Business environment

Since the reorganization of the Group in October 2025, which included making the B2B Subscription Business (food service) a wholly owned subsidiary, we have been accelerating the creation of synergies between our B2C Subscription Business (food delivery service) and the B2B Subscription Business, both of which share a common subscription model. The integration of our manufacturing, logistics, systems, and corporate departments has already begun to yield steady results, such as improved production line utilization and enhanced productivity through the promotion of DX. Moving forward, we will establish a sustainable growth cycle by implementing integrated management across all processes—from product development and procurement to manufacturing, logistics, and the final provision of meals.

Toward our 2030 targets, our primary strategy is to achieve increased sales and profits through sustained sales growth and improved profitability in the B2B Subscription Business (food service). Simultaneously, we will work to improve the profitability of our B2C Subscription Business, thereby powerfully driving both sales expansion and enhanced profitability.

(3) Management strategies

B2B Subscription Business

The domestic food service market is extremely large, worth approximately 5 trillion yen, and is stable, mainly in facilities for the elderly and company cafeterias. Meanwhile, concerns have emerged about the declining quality of food, driven by recent labor shortages and profit pressures from soaring ingredient and labor costs. This has led to the deterioration of food service providers' performance and accelerated industry consolidation. Toward our mid-term goals, we will seize these opportunities arising from market consolidation.

We will drive sustainable sales growth and improve profitability through a combination of strategic M&A and organic growth, aiming to become a top-tier company in the food service industry.

(Growth actions and profitability targets)

I. Sustainable sales growth strategy (M&A / Organic)

Based on our policy of focusing on M&A in the B2B domain over the mid-term, we recently made SHiDAX HOLDINGS CORPORATION's food service business a wholly-owned subsidiary, positioning it as our core business. We aim for sustainable sales growth by combining the rapid expansion of our business scale through such roll-up strategies with organic growth.

II. Profitability improvement strategy

We will promote price optimization and ensure the thorough standardization of facility operations. Furthermore, we will deploy the expertise gained in our B2C Subscription Business to the food service business, aiming to reduce labor costs through the use of AI and DX as well as our "time-efficient food service model." Over the medium to long term, we aim to improve profitability and secure funds for growth investments by expanding the implementation of the "time-efficient food service model" and optimizing procurement and logistics.

III. Product development leveraging B2C expertise

We will maximize the technical expertise and insights gained from the cumulative sale of 250 million meals of "Kit Oisix" in our future product development. With this development capability as a foundation, we will strengthen the rollout of products such as "Genki Gohan," a line of fully prepared foods for elderly care facilities that pursues both deliciousness and quality, thereby driving higher value-added in the food service business.

B2C Subscription Business

The domestic food delivery market is worth approximately 3 trillion yen and is expected to continue growing at an annual rate of approximately 3%, indicating steady expansion. While our market share is only a few percent, we believe we can continue to grow in the domestic market, based on the experience of other global companies.

In addition, the e-commerce penetration rate in the overall food market is only about 4%, which means it is still a niche market. The market including other companies' services, is expected to become more active.

We provide specialized subscription services. We have established high barriers to entry in this field through our direct network of farmers who produce high value-added products and our service development skills based on customer insights. As a result, we have established ourselves as the No. 1 company in this field based on total sales.

(Growth actions)

Toward our mid-term goals, in our domestic B2C Subscription Business, we will continue to evolve services and products such as "Cho-Raku (ultra-convenient) Kit" and "Deli Oisix." We will strive for continuous improvement in every detail of our processes—from product development to sales—to build a robust earnings base that remains resilient to changes in the external environment, with the ultimate goal of improving profitability.

(4) Priority business challenges

The priority business challenges recognized by the Group to be addressed are as follows:

(i) Strengthening value propositions and personalization for customer food needs

In addition to the growing need for time-saving solutions driven by the increasing number of dual-income families, lifestyles and values are becoming increasingly diverse, including demand for larger volumes and better cost performance. To address these trends, we need to deepen the customer experience (CX) by strengthening our product lineup to meet diverse needs—such as through the "Cho-Raku (ultra-convenient) Kit," "Tasu-dake (just-add) series," and "Deli Oisix"—while refining personalized product recommendations leveraging accumulated data and AI. Furthermore, amid the ongoing inflation of raw material and logistics costs, it is essential to simultaneously achieve both the maximization of Customer Lifetime Value (LTV) through unique product offerings and the improvement of profitability by enhancing store operations, including the insourcing of manufacturing processes.

(ii) Promoting Roll-Up M&A and improving structural profitability in the food service industry

While the domestic food service market has remained stable, deteriorating business performance and bankruptcies among food service providers have become apparent, driven by severe labor shortages and soaring ingredient and labor costs. We will expand our business scale through a combination of both roll-up M&A and organic growth, aiming to become a top-tier company in the industry. Specifically, leveraging the product development expertise cultivated in our B2C business, we will roll out our "time-efficient food service model" which achieves both labor-saving and high added value by introducing "Genki Gohan"—a line of fully prepared foods for elderly care facilities—and commercial meal kits. Furthermore, we will promote the standardization of facility operations by automating menu planning, demand forecasting, ordering, and shift management utilizing AI, thereby improving our earnings structure.

(iii) Realizing a sustainable food future

As challenges surrounding food—including global climate change, increasing food waste, and labor shortages—become more severe, we must address issues related to the environment, supply chains, and human capital to realize a sustainable food future.

In terms of the environment, we will focus on reducing greenhouse gas emissions across our entire supply chain. We are also committed to promoting resource circulation by introducing eco-friendly materials into private brand (PB) products and recycling food waste, while also reducing upstream food loss by utilizing unutilized or underutilized raw materials.

In terms of supply chains, we will build a stable food infrastructure that coexists with producers, grounded in the thorough adoption of our code of conduct among major suppliers and the establishment of a human rights due diligence framework. Concurrently, we will advance the research and development of new sustainable ingredient, including alternative proteins.

In terms of human capital, which serves as the foundation for driving these initiatives forward, we will promote the appointment of women to managerial positions—including professional roles—and enhance employee engagement. Through these efforts, we will strive to foster an organizational culture and strengthen our human capital so that diverse talent can maximize their potential and drive innovation.

(5) Objective metrics used to determine the status of achievement of management targets

The management metrics that the Group emphasizes to judge the achievement of the aforementioned management strategies are net sales, EBITDA (operating profit + depreciation + amortization of goodwill), earnings per share, and their respective growth rates. Furthermore, as metrics to evaluate the growth and profitability of the B2B Subscription Business and B2C Subscription Business, we place importance on the net sales and EBITDA margins of both businesses, as well as the number of Oisix subscribers (B2C Subscription Business) and the number of contracted facilities (B2B Subscription Business), among other indicators.

2. Disclosure of sustainability-related financial information

The Oisix Group's approach and initiatives regarding sustainability are as follows. Forward-looking statements presented herein are based on judgments made by the Group as of the end of the fiscal year under review.

(1) Sustainability in general

Under our corporate philosophy of "Farm for Tomorrow, Table for Tomorrow," the Group aims to achieve a sustainable society by solving social issues related to food through business approaches. Since the Group's businesses are built upon a rich global environment, we recognize that driving Environmental, Social, and Governance (ESG) initiatives across our entire supply chain, including our business partners, is crucial for business growth and enhancing corporate value. The Group has identified six key items of materiality based on the dual perspectives of their financial impact on our business and their impact on society and the environment.

In February 2026, we integrated the Green Strategy Office, which had been driving food waste reduction and greenhouse gas (GHG) emissions reduction initiatives, with the Diversity, Equity & Inclusion Committee, which had been spearheading efforts related to workforce diversity. This merger led to the establishment of the Group ESG Committee, which is responsible for promoting all sustainability activities across the Group. The Group ESG Committee, which serves as an advisory body to the Board of Directors, deliberates on basic management policies concerning sustainability and formulates relevant targets and measures. The Group drives group-wide, cross-functional initiatives to further enhance our corporate value through this committee.

For details regarding the Group's approach and individual initiatives concerning sustainability, please refer to our sustainability webpage (<https://www.oisixradaichi.co.jp/en/sustainability/>).

(i) Governance

The Oisix Group recognizes that addressing sustainability issues is one of its key management priorities. Accordingly, the Board of Directors approves group policies on sustainability and identifies items of materiality. The Group ESG Committee, chaired by the Representative Director and CEO, sets sustainability-related targets, monitors progress, formulates strategies for climate change and mid- to long-term ESG issues across the Group, identifies materiality items, and analyzes sustainability-related risks and opportunities. Audit & Supervisory Board Members and Outside Directors also participate as advisors. To ensure supervision at the management level, the Group has established a framework under which the details of the committee's

deliberations are reported to the Board of Directors and the Management Committee twice a year. Furthermore, the administrative and management heads of each business and group company are appointed as ESG Leaders to drive sustainability-related initiatives within their respective organizations, and they report on the progress of these efforts at the committee meetings.

The Risk Management Committee collaborates with the Group ESG Committee to analyze sustainability-related risks and opportunities. For risks that have an especially significant impact on our business, this committee formulates countermeasures, conducts internal risk education, and reports to the Management Committee once a quarter.

(ii) Strategy

The Oisix Group has established a mission to "solve social issues related to food through business approaches." To achieve this mission, we develop products and services that enable more people to enjoy high-quality dietary lives, and construct frameworks that reward and bring pride to the producers who create high-quality food, thereby aiming to realize a sustainable society. Based on these values, the Group has identified the following six items of materiality: "Reduction of environmental impact and promotion of a circular economy," "Construction of a sustainable food infrastructure and coexistence with producers," "Resolution of regional issues and co-creation of communities through food infrastructure," "Realization of well-being through 'delicious and fun dining tables'," "Promotion of workforce diversity," and "Construction of highly transparent group governance and a resilient management foundation."

(iii) Risk management

The Risk Management Committee plays a central role in managing risks across the entire Group. Regarding sustainability-related risks and opportunities, the committee collaborates with the Group ESG Committee to formulate and drive strategies, as well as to manage their progress.

(iv) Metrics and Targets

The Group's primary initiatives regarding the six items of materiality are as follows:

Material Issues	Primary Initiatives	2030 Targets
Reduction of environmental impact and promotion of a circular economy	Reduce greenhouse gas (GHG) emissions	- Renewable energy utilization rate of 50% or higher at business sites (*1)
	Resource circulation: Plastics and Food Loss	- Adoption rate of 50% or higher for environmentally friendly materials (biomass, biodegradable, recycled materials, paper, etc.) used in private-brand (PB) product packaging (*2) - Food waste recycling rate: 70%
	Reduce upstream food waste (*3)	- Upstream food waste reduction contribution volume of 200% compared to FY2020
Establishment of a sustainable food infrastructure and coexistence with producers	Achieve sustainable procurement	- Collaborate with producers and startups to drive forward the implementation of livestock farming models utilizing methane-reducing feed, as well as the research and development of innovative, sustainable food ingredient such as alternative proteins
	Responsible supply chain management	- 100% agreement and signature rate for the Supplier Code of Conduct among major suppliers (*4)
Resolution of regional issues and co-creation of communities through food infrastructure	Resolve challenges regarding access to food shopping	- 300,000 people supported in resolving food shopping access constraints through mobile supermarkets (*5)
	Achieve sustainable food procurement from disaster-affected areas and regions undergoing reconstruction support	- No quantitative targets established
Realization of well-being through 'delicious and fun dining tables'	Drive forward support for future generations of children through initiatives such as TABLE FOR TWO (*6) and WeSupport Family (*7)	- Cumulative total of 10 million children supported for future generations
	Promote social connection through food	-Providing continuous food education and food experiential opportunities
Promotion of workforce diversity	Talent Development and DE&I Promotion	- Female manager (*8) ratio of 50% or higher (Consolidated domestic group)
		- Positive response rate of 80% or higher in the DE&I Survey (Consolidated domestic group)
Establishment of highly transparent group governance and a resilient management foundation	Eliminate serious compliance violations and information leakages	- Zero cases (Consolidated group, Every fiscal year)

*1 "Business sites and offices" refers to domestic business sites and offices of the Group.

*2 "PB products" refers to private-brand products handled by the three domestic B2C brands (Oisix, Daichi wo Mamoru-kai, and Radish Boya).

*3 "Upstream food waste" is defined as food waste generated at production sites and manufacturing facilities.

*4 "Major suppliers" refers to the top 10 suppliers in terms of annual transaction volume among the contract manufacturers of PB

products.

*5 "Mobile supermarkets" refers to the mobile supermarket business operated by Tokushimaru, a consolidated subsidiary.

*6 "TABLE FOR TWO" refers to the initiative to sell products that include a donation to deliver school meals to children in developing countries.

*7 "WeSupport Family" refers to the food bank platform that provides food assistance to single-parent households in need.

*8 "Female manager" refers to female personnel in positions equivalent to or higher than section managers (Kacho) or store managers.

(2) Initiatives for the environment and climate change

(i) Governance

Please refer to "(1) Sustainability in general: (i) Governance."

(ii) Strategy

Since the Group's businesses are established upon a rich global environment, changes in the natural environment, including climate change, can have various impacts on the Group's business performance. Accordingly, the Group conducted scenario analyses based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Regarding climate change, we examined the risks and opportunities as of 2030 based on two scenarios for the year 2100: a scenario where the temperature increases by 1.5°C from pre-industrial levels (the 1.5°C scenario) and a scenario where it increases by 4°C (the 4°C scenario). The assumed scenarios, as well as the identified risks and opportunities, are presented in the table below.

a. Main assumed scenarios

Scenario	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)

b. Selected risks and opportunities

(Risks)

Scenario	Risk category	Time horizon	Area of financial impact	Potential business impact	Extent of impact		
					1.5°C	4°C	
Transition	Policies and laws	Introduction of carbon taxes	Medium to long term	Costs	- Procurement and purchasing costs for raw materials increase, including agricultural, marine, livestock products and consumables. - Energy costs for plants, logistics, and delivery operations increase. - Additional expenses arise from the need to review the fleet of company-owned vehicles and from costs directly tied to the Group's own emissions.	Large	Small
		Stricter plastic regulations	Medium to long term	Costs	- Strict plastic regulations require the development and introduction of alternative materials for packaging, resulting in higher costs.	Medium	Small
		Tighter GHG emissions regulations	Medium term	Costs/ assets	- The transition of company-owned and delivery vehicles to electric vehicles (EVs) increases conversion and replacement costs.	Large	Small
		Introduction/ tighter enforcement of other environmental regulations	Short term	Costs/ assets	- Capital expenditures increase due to compliance with stricter environmental regulations, and additional costs arise from adapting to revised food safety standards.	Medium	Small
	Industries/markets	Changes in consumer environmental preferences	Medium to long term	Revenue	- Insufficient environmental initiatives or inadequate disclosure of non-financial information leads to a decline in consumer support, causing revenue decreases driven by diminished brand value and customer churn.	Large	Small
		Changes in energy supply and demand	Medium term	Costs	-Procurement costs for fossil-fuel-based energy rise, which increases raw material production costs and raises delivery costs due to the continued use of conventional gasoline-powered vehicles. - Surging demand for renewable energy inflates both renewable energy prices and the operational costs of switching to renewable-ready facilities.	Small	Small
		Changes in investor reputation	Medium to long term	Capital	- Inadequate climate initiatives or disclosures may lead to a loss of preferential interest rates and lower corporate evaluation.	Small	Small

Scenario	Risk category		Time horizon	Area of financial impact	Potential business impact	Extent of impact	
						1.5°C	4°C
Transition	Technologies	Production innovations in agriculture and fisheries	Medium to long term	Costs/ assets	- Costs rise due to adopting cutting-edge equipment for smart and decarbonized agriculture and fisheries industries.	Large	Small
		Innovations in logistics and delivery	Medium term	Costs/ assets	- Costs rise from replacing the delivery fleet with electric vehicles (EVs).	Large	Small
Physical	Acute	Intensification of severe weather events	Short to long term	Costs	- Torrential rains and typhoons damage production areas and disrupt logistics, hindering product procurement. - Operations suspend due to natural disasters, reducing revenues while increasing vehicle damage costs. - Flooding at business sites causes temporary suspensions of business activities.	Large	Large
		Impacts on procurement and supply systems	Long term	Costs/ revenue	- Climate-driven crop yield declines make it difficult to secure required procurement volumes. - Supply-demand imbalances raise concerns over increased product stockouts and waste volumes. - Extreme high temperatures lower agricultural work efficiency, decreasing harvest volumes.	Small	Large
	Chronic	Impacts on quality	Long term	Costs/ revenue	- Securing quality that meets the standard levels set by the Oisix Group becomes increasingly difficult. - Ensuring quality during customer delivery becomes challenging, particularly for frozen items. - Rising risks of food poisoning can cause revenue drops due to reputational damage.	Small	Large
		Impacts on cost structure	Long term	Costs	- Purchasing costs for raw materials and packaging supplies increase. - Cost burdens rise due to labor shortages and a lack of operational ready facilities.	Small	Large
		Changes in general consumer food needs	Long term	Revenue	- As consumers face higher daily cost burdens to adapt to climate change, general expenditure on food decreases	Medium	Large

* Financial impact scaling (Estimated amount): Large: 2 billion yen or more, Medium: 100 million to 2 billion yen, Small: Less than 100 million yen

* 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 fiscal year ended March 31, 2026.

* Quantitative assessments assume that the scale of our business operations will continue to expand through 2030, as it did in FY2025.

(Opportunities)

Category	Responses	Opportunities
Introduction of carbon taxes	- Achieve carbon neutrality	- Active introduction of energy-saving measures reduces overall operational costs. - Achieving carbon neutrality mitigates and reduces the potential financial burden of carbon taxes.
Tightening of plastic regulations	- Further greening of product packaging	- Proactively introducing and pioneering new packaging materials made of alternative plastics establishes market differentiation.
Introduction and tightening of other environmental regulations	- Strengthen food safety standards - Suppress fluorocarbon emissions	- Stricter regulations on carbon footprint disclosures allow the Group to effectively showcase its environmental advantages . - Capitalizing on subsidies for environment-conscious initiatives provides direct financial benefits.
Changes in consumer preferences toward environment-oriented choices	- Promote sales of upcycled foods - Further greening of product packaging	- Accurately responding to rising environmental awareness and consumer needs builds and enhances strong customer relationships . - This alignment strengthens brand power and deepens bonds with existing customers, while driving new customer acquisition and boosting customer loyalty.
Changes in energy supply and demand	- Power savings - Introduce renewable energy to power all offices and all logistics sites	- Early adoption of green delivery methods and energy-saving equipment successfully curbs and suppresses long-term cost burdens.
Production innovations in agriculture and fisheries	- Enhance sustainability across the entire supply chain	- Utilizing and accelerating the development of food technology—including the manufacturing of ingredient with minimal environmental impact—significantly revitalizes the new food market. - Preemptively establishing an innovative production and stable supply network that integrates frozen foods, processed manufacturing, and edibility-extension technologies creates a powerful competitive differentiation.
Innovations in logistics and delivery	- Review and optimize packaging materials - Verify energy-saving delivery methods and the transition to electric vehicles (EVs)	- Introducing highly efficient shipping materials directly suppresses and controls cost burdens. - Preemptively establishing a resilient logistics and delivery framework that selects delivery methods less vulnerable to climate change enhances long-term convenience for customers.

Category	Responses	Opportunities
Increase in severity of extreme weather	<ul style="list-style-type: none"> - Enhance sustainability across the entire supply chain - Expand high-quality supply sources - Improve profitability by sharing low-cost operations and marketing know-how 	<ul style="list-style-type: none"> - Maintaining a geographically diverse portfolio of production areas ensures a stable supply of products, even during localized crop failures. - Heightened necessity for emergency communication services for schools during natural disasters increases market demand for relevant services.
Impacts on procurement and supply systems		<ul style="list-style-type: none"> - Effectively utilizing traceability data enables meticulous supply-demand adjustments, ensuring a highly stable product supply. - Anticipating the expansion of harvesting possibilities both domestically and internationally drives and supports the establishment of cultivation and production methods that ensure stable output.
Impact on quality		<ul style="list-style-type: none"> - Increasing the utilization of raw materials that do not meet conventional retail distribution standards (such as "Grade B" irregular items) and fostering customer appreciation for their value establishes an innovative branding and marketing appeal.
Changes in general consumer food needs		<ul style="list-style-type: none"> - Market needs expand for heatstroke prevention products and long-term storable/emergency food supplies. - Increased difficulties with going outdoors drive a direct rise in demand for home-delivery services themselves.

(iii) Risk management

Climate change-related risk management is conducted as described in "(1) Sustainability in general: (iii) Risk management."

(iv) Metrics and Targets

As part of our response to climate change risks and opportunities, the Oisix Group sets the following metrics and targets regarding the reduction of greenhouse gas (GHG) emissions, food waste, and product packaging materials. In establishing these metrics and targets, we refer to international frameworks such as the Paris Agreement and the GHG Protocol.

◆ Company-wide targets for greenhouse gas (GHG) emissions reduction (Base year: fiscal year ended March 31, 2022)

	Item	Target for March 2030	Primary Initiatives
1	Scopes 1 and 2	Maintain a 50% or higher reduction	<ul style="list-style-type: none"> - Implement power saving measures - Drive forward the introduction of renewable energy to power offices and all logistics centers
2	Scope 3	Increase the number of suppliers proactively engaged in emissions reduction	<ul style="list-style-type: none"> - Drive green initiatives in agricultural production, including the use of biochar - Promote eco-friendly product packaging - Reducing food waste - Accelerate the recycling of food residues

◆ Trends in greenhouse gas emissions

Emissions: total CO₂ emissions [t-CO₂e]

Intensity: total CO₂ emissions intensity (per sales) [t-CO₂e/million yen]

Item	Year ended March 2024 (*4)		Year ended March 2025 (*5)		Year ended March 2026 (*6)	
	Emissions	Emissions intensity	Emissions	Emissions intensity	Emissions	Emissions intensity
Scope 1 (*1)	1,131	–	16,296	–	9,864	–
Scope 2 (*2)	43	–	1,063	–	3,490	–
Total Company emissions (Scopes 1 and 2)	1,174	0.01	17,359	0.07	13,354	0.06
Scope 3 (*3)	302,831	–	384,377	–	373,463	–
Total supply chain emissions (Scopes 1, 2, and 3)	304,005	2.60	401,735	1.60	386,817	1.62

* Calculation methods: Emissions calculated based on the GHG Protocol

*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)

* 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 as below.

*4: Group companies (Three Limes, Inc., Fruit Basket and Tokushimaru Inc.)

*5: Group companies (SHiDAX CORPORATION and its subsidiaries, Three Limes, Inc., Fruit Basket and Tokushimaru)

*6: Group companies (SHiDAX CONTRACT FOOD SERVICE CORPORATION, SHiDAX FOOD SERVICE CORPORATION, SLOGIX CORPORATION and SHiDAX DAISHINTO HUMAN SERVICE Inc.)

◆ Food waste reduction volumes

The Group actively works to reduce upstream food waste (food waste generated at production sites and manufacturing facilities). We achieve this through the sale of our unique brand products, such as "Fuzoroi Radish" (Imperfect Radish), which markets vegetables that fail to meet conventional distribution standards due to shape or color despite having no quality issues. Additionally, our "Upcycle by Oisix" brand specializes in upcycling and upgrading underutilized ingredient—previously discarded due to poor appearance or texture—into innovative new food products.

Item	FY2023	FY2024	FY2025
Food waste reduction volumes	506,654 kg	525,783 kg	590,075 kg

◆ Reduction of product packaging materials

The Group drives forward the reduction of product packaging materials through various green initiatives. For our Oisix brand, we utilize cardboard boxes made from 100% recycled paper and introduce variable-sized cardboard boxes to minimize plastic cushioning materials. Furthermore, we adopt biomass materials for the outer packaging of Kit Oisix and optimize plastic packaging through thickness reduction and simplified packaging methods.

Item	FY2023	FY2024	FY2025
Plastic usage volumes	876 t	760 t	764 t

* Plastic usage volumes are aggregated based on packaging materials for private-brand (PB) products handled by the three domestic B2C brands (Oisix, Daichi wo Mamoru-kai, and Radish Boya), as well as packing materials such as cushioning used for product delivery. PB products include those manufactured by third-party OEMs.

(3) Human capital

(i) Governance

To ensure the alignment of business strategies and human resource strategies, the Group implements a framework where the Director in charge of Human Resources concurrently serves as an Executive Officer, comprehensively overseeing the process from strategy formulation to execution. In addition, the Management Committee establishes a governance framework that monitors the effectiveness and control of human capital strategies, ensuring a solid contribution to corporate management.

Specifically, the formulated human capital strategies are reported to the Management Committee twice a year. This practice ensures a shared understanding across the execution side and guarantees the rapid execution of initiatives. Furthermore, critical strategic matters are reported or proposed to the Board of Directors, where the expert insights of Outside Directors are integrated to guarantee the objectivity and effectiveness of the strategies.

In terms of human resource development, the Group confirms the consistency between business strategies and development policies through regular consultation platforms with senior management, driving the PDCA cycle for various initiatives. Rigid governance also applies to important organizational and personnel matters. Organizational changes at the department/office level or higher, transfers of department managers, and inter-departmental transfers strictly require a resolution by the Management Committee. This process guarantees thorough control over organizational operations based on a company-wide perspective.

(ii) Strategy

Under the corporate philosophy of "Farm for Tomorrow, Table for Tomorrow," the Group targets the resolution of food-related social issues through business methodologies as its core mission. To achieve this mission, the Group considers the continuous growth and active participation of employees, alongside the securing of talented human resources, to be indispensable.

As a human resource strategy, the Group sets forth the vision to "Create a workplace (company) where people grow, are nurtured, and work with vitality." Based on this vision, the Group drives forward the following human resource development policies and workplace environment improvement policies as the primary pillars of its human capital strategy.

(Human resource development policies)

1. Instilling corporate philosophy and fostering employee engagement

The Group pursues diversity and ease of work from the perspective of employees. Concurrently, the Group fosters employee engagement through the creation of frameworks where employees realize their contribution to the company by practicing "ORDism," the seven codes of conduct established to realize our corporate philosophy.

To ensure employees deeply understand the corporate philosophy and the significance of their own work, the Group recognizes teams and individuals who embody the codes of conduct and achieve outstanding results at company-wide general meetings. In addition, the Group delivers video letters from senior management to employees, offers opportunities to listen to producers and customers, and provides site visits to production fields along with hands-on farming experiences.

2. Aligning human resource development and acquisition with mid-term business portfolio strategies

To complete the mid-term business portfolio strategies, the Group promotes the planned development of internal talent alongside the strategic acquisition of external talent. Regarding development, the Group places on-site practice at the core of its initiatives while integrating knowledge (Off-JT) and experience (OJT). For example, the Group strategically assigns high-difficulty assignments with significant business impacts to future "ace talent," driving dramatic growth in a short period.

Furthermore, the Group holds regular "Growth Support Meetings" composed of senior management and human resources. By implementing personnel allocations and role assignments aligned with management strategies through these meetings, the Group constructs an environment where employees maximize their performance and elevate their engagement, linking Off-JT programs—such as management skill acquisition and logical thinking programs—to support individual autonomous growth.

Additionally, the Group flexibly hires external personnel with high specialized expertise for critical management issues and

ensures swift onboarding to establish a framework that resolves issues rapidly.

3. Supporting autonomous career development and creating outstanding talent

The Group focuses on creating outstanding talent by supporting autonomous career development and providing continuous growth opportunities for employees. Specifically, the Group implements its unique "Self-Career Dock" framework, which integrates the expert insights of Outside Directors into its design.

Starting from the fiscal year ended March 31, 2024, the Group established a regular support framework ensuring that employees of all age groups participate once every five years. Through this framework, internal career consultants conduct age-specific career seminars and individual consultations. These initiatives directly elevate career autonomy awareness among individual employees, seamlessly connecting the improvement of individual expertise and engagement to business performance contributions and sustainable corporate value growth.

(Workplace environment improvement policies)

Setting forth the policy that human resources serve as the source of sustainable value creation, the Group promotes the development of a workplace environment where all employees maximize their capabilities, regardless of attributes or life stages. From the perspective of Diversity, Equity, and Inclusion (DE&I), the Group supports a smooth return to work following maternity and childcare leave. Furthermore, grounded in the philosophy that embracing diversity drives the creation of innovative ideas and services, the Group conducts quarterly employee training centered on the theme of "Diversity." In addition, the Group optimizes the office environments at its headquarters and various business sites to maintain employee performance and elevate productivity. Through the introduction of a group-based free-address system and the expansion of dedicated web-conference booths and focus spaces, the Group realizes flexible work styles that support the physical and mental health of employees while maximizing their performance.

(iii) Risk management

The Group views human capital as an essential asset for executing mid-term business portfolio strategies and establishes a risk management framework to prevent its erosion. The Group recognizes significant risks regarding human capital, including delays in acquiring or retaining specialized talent indispensable for strategy execution, stagnation in developing next-generation leaders, and ensuring employee safety and health. The Risk Management Committee periodically identifies and evaluates these risks. For material matters, the committee reports to and collaborates with the Management Committee and the Board of Directors, ensuring rigorous governance.

In particular, the Group positions "employee safety and health"—the foundation of business continuity—as one of its most critical risks, thoroughly implementing risk reduction and prevention centering on the following initiatives.

(Appropriate working hour management)

The Group prevents overwork before it occurs through a company-wide attendance management system equipped with monitoring and alert frameworks. Furthermore, to drive forward health and productivity management, the Group establishes a consultation and guidance framework led by occupational physicians and public health nurses, strengthening mental and physical support for employees.

(Workplace health and safety)

The Group regularly holds Health and Safety Committees based on risk assessments at all business sites of a certain scale, including warehouses and production facilities. By ensuring continuous improvements in the working environment and thorough safety education tailored to actual site conditions, the Group prevents occupational accidents and fosters a culture of safety.

(iv) Metrics and targets

The Group monitors the following primary metrics to measure outcomes against the policies set forth in "(ii) Strategy" above and to drive the PDCA cycle.

Metric	Strategy	Boundary	FY2024 Actual	FY2025 Actual	FY2026 Target
Number of employees receiving career consultations (persons)	Human resource development policies	Reporting company	120	113	184
DE&I survey score (average points)	Workplace environment improvement policies	Reporting company	71.0	73.8	75.9

Information on the actual results for the ratio of female workers in management positions, the percentage of male workers taking childcare leave, and the wage disparity between male and female workers is described in "Section 4. Corporate Information: 5. Employees: (2) Status of employees: (iv) Proportion of management positions held by female workers, rate of childcare leave taken among male workers and pay gap between male and female workers."

3. Risk factors

Among the matters related to the business overview, financial condition, and results of operations described in this annual securities report, the management recognizes that the following major risks could have a significant impact on investors' decisions.

Forward-looking statements contained in this report are based on the judgments made by the Group as of the date of submission of this report.

(1) Risks related to business strategies

Risk items	Details and impacts on the Group	Risk mitigation measures
Business models, competitive environment	<p>In the B2C Subscription Business, amid growing consumer awareness of environmental and health issues, the Group delivers high value-added food products—such as organic or specially cultivated fruits and vegetables, and processed foods rigorously inspected for safety—to more customers in a more accessible manner through highly convenient e-commerce services.</p> <p>In the food e-commerce market, the Group considers online grocery stores, delivery services operated by regional consumer cooperatives, and home delivery services for frozen bento meals to be adjacent business sectors. Competition within the food segment of the e-commerce market may intensify in the future as these operators place a stronger focus on food sales.</p> <p>In the B2B Subscription Business, the Group contracts the operation and management of cafeterias for companies, government offices, schools, and nurseries, as well as the provision of meal services for hospital inpatients and elderly care facilities.</p> <p>In recent years, competition among major companies in the food service industry has intensified, and contracted prices may decline due to price competition.</p> <p>Furthermore, in the Social Services Business, the Group contracts the management and operation of facilities—such as after-school child development clubs (after-school care services), libraries, and children's centers—from local governments, as well as various business operations from private companies.</p> <p>In recent years, amid fiscal consolidation by local governments driven by a declining birthrate and aging population, along with the growing need for cost reduction among private companies, the necessity for highly efficient business operations has increased.</p> <p>If the Group is unable to respond appropriately to such environmental changes, it may adversely affect the Group's business operations and financial performance.</p>	<p>The Group estimates that both the high value-added food market and the food e-commerce market will continue to grow, driven by the ongoing increase in consumer awareness of environmental and health issues. In addition, the Group believes that the business environment will present numerous opportunities, such as advancing consolidation within the food service industry and the accelerating outsourcing of operations from the public to the private sector.</p> <p>To differentiate itself, the Group will promptly capture the latent needs of customers facing distinct social challenges and swiftly roll out products and services tailored to those needs. The Group aims to provide new value propositions by offering unique products and experiences that customers can only encounter through its services.</p>

Risk items	Details and impacts on the Group	Risk mitigation measures
Accidents	<p>The Group provides food products and meal services in its B2C Subscription Business and B2B Subscription Business. In the event that food poisoning, foreign object contamination, or allergic incidents occur due to deficiencies in the Group's sanitation management, it could result in a temporary suspension of operations at the affected sites and liabilities for damages.</p> <p>In the Social Services Business, the Group contracts the operation and management of public facilities. If a serious accident or incident occurs during facility operations, the Group may face liabilities for damages or receive business suspension orders from the relevant municipal governments or regulatory authorities.</p> <p>Furthermore, the occurrence of these events could lead to a loss of trust in the Group, which may adversely affect the Group's business operations and financial performance.</p>	<p>To prevent serious accidents before they happen, the Group strives to ensure compliance with safety-related laws and regulations, as well as the rules, standards, and manuals established by the Group. In addition, the Group periodically monitors and assesses its business operational status through internal audits.</p>

(2) Risks related to climate change

Risk items	Details and impacts on the Group	Risk mitigation measures
Large-scale storm and flood damage	<p>Since the Group handles primary industry products from agriculture, fisheries, and livestock farming, in the event that large-scale wind and flood damage, such as typhoons and torrential rain, strike production areas, it could affect the Group's business operations and financial performance due to the occurrence of problems such as product shortages and quality deterioration. Furthermore, if such large-scale wind and flood damage impacts product distribution and logistics, causing disruptions to shipping and delivery, it could also affect the Group's business operations and financial performance.</p>	<p>To mitigate these risks, the Group has established a system that enables a stable supply of products from alternative regions even in the event of harvest failures or quality deterioration caused by deteriorating weather conditions in specific areas. This is achieved by dispersing its trading production areas across various regions throughout Japan and, as a general rule, ensuring that major items can be procured from multiple production areas.</p>
Reducing greenhouse gas emissions and food waste	<p>Global initiatives are being undertaken to regulate greenhouse gas emissions and reduce food waste. If the Group falls behind in responding to these initiatives, it could lead to a decline in its social credibility.</p> <p>In addition, an increase in extreme weather conditions caused by climate change could potentially affect the supply of agricultural products and other goods.</p>	<p>The Group has promoted reductions in greenhouse gas emissions across the entire supply chain, including agricultural production sites, logistics centers, and last-mile delivery.</p> <p>Furthermore, regarding the reduction of food waste, the Group will proactively implement measures such as the active utilization of non-standard agricultural products and the expansion of meal kit sales to promote the reduction of food loss in households.</p>

(3) Risks related to supply chain

Risk items	Details and impacts on the Group	Risk mitigation measures
Raw material quality	<p>Regarding the products handled by the Group, the possibility cannot be ruled out that producers may falsify labeling related to pesticide use or provide false information regarding product quality. Furthermore, concerning the issue of radioactive contamination of food, the prevailing social consensus regarding its safety remains unclear. In addition, if any laws or regulations are established regarding this issue in the future, the Group may not be able to immediately implement the responses required by such regulations. If these events occur, they could result in issues such as indications or administrative actions from government agencies, customer complaints, or claims for damages. Consequently, this could affect the Group's business operations and financial performance due to a loss of the Group's brand image or a decline in its external credibility.</p>	<p>While detailed standards vary by brand value and target segments, all major brands establish unique standards to purchase vegetables, marine products, and livestock products directly from traceable producers. The Group handles agricultural products cultivated with minimal pesticides or chemical fertilizers, and processed foods with minimal food additives.</p> <p>Furthermore, the Group ensures objective and reasonable quality and safety through various measures, such as conducting on-site inspections and residual pesticide testing for agricultural products, establishing unique testing systems using external experts and third-party organizations for processed foods, and providing hygiene management guidance to manufacturers. The Group also educates and raises awareness among its officers and employees by conducting training on quality assurance upon hiring.</p>
Consolidation of logistics bases	<p>The Group operates its own logistics centers to consolidate logistics-related operations, including the inspection, storage, sorting, and packing of handled products. Specifically, shipments to customers are dispatched primarily through the logistics centers in Ebina City and Atsugi City (both in Kanagawa Prefecture) for the "Oisix" brand, the logistics center in Narashino City (Chiba Prefecture) for the "Daichi wo Mamoru-kai" brand, and four bases nationwide for the "Radish Boya" brand.</p> <p>If these logistics centers become unable to operate due to natural disasters or fires, if employee commuting and operations are affected, or if any other operational disruptions occur, it could result in consequences such as inventory losses, delivery delays, or temporary service suspensions. Consequently, this could potentially affect the Group's business operations and financial performance.</p>	<p>In the event of an emergency, the Group will make every effort to maximize the continuation of shipping operations to customers by adjusting its delivery operations to utilize the operable bases among its seven locations nationwide.</p>

Risk items	Details and impacts on the Group	Risk mitigation measures
Transactional Relationship with Yamato Transport Co., Ltd. in Logistics	For the "Oisix" brand, which accounts for more than 50% of the net sales of the B2C Subscription Business—the Group's core segment—product delivery to customers is handled by Yamato Transport Co., Ltd. Given the recent situation in the logistics industry, if there were to be requests for significant increases in shipping fees or a reduction in the transactional relationship from the said company, it could potentially affect the Group's business operations and financial performance.	The Group endeavors to maintain a favorable transactional relationship with the company by collaborating on joint projects not only for the last-mile delivery but also for procurement logistics.
Governance across the entire supply chain	The Group develops its business activities by collaborating with numerous business partners across the entire supply chain, from procurement and logistics to the last mile. If compliance violations—such as an increase in occupational accidents caused by the working environment, human rights infringements, or the concealment of misconduct—were to occur within any part of this supply chain, it could potentially affect the Group's business operations and financial performance.	Through close communication with its business partners within the supply chain, the Group jointly recognizes the probability of incidents and the status of security systems. The Group endeavors to avoid or reduce risks through collaborative efforts, while also striving to transfer risks by utilizing insurance coverage and enforcing indemnity or termination clauses in contracts.

(4) Risks related to information security

Risk items	Details and impacts on the Group	Risk mitigation measures
System disruption	The operations of the Group's B2C food delivery business depend heavily on its business management systems for the majority of its operations, including website management, order receiving, order placement, procurement, inventory, shipping, and sales. However, if any disruptions or problems were to occur within the Group's systems due to various factors—such as an unexpected surge in order applications or other traffic, computer virus infiltration, intentional acts of sabotage, or glitches in developed applications—it could potentially affect the Group's business operations and financial performance.	The Group has implemented protective measures within its business management systems to avoid external attacks, including firewalls, virus checks, and redundancy measures such as backup systems and data retention functions. Furthermore, led by the information security supervisory division, the Group is strengthening its information security framework from both emergency and routine perspectives, including through the establishment of a CSIRT*. *Computer Security Incident Response Team

Risk items	Details and impacts on the Group	Risk mitigation measures
Handling of personal information	The Group receives customer information such as names and addresses through the B2C sale of products via e-commerce and other channels. As the Group possesses a large volume of customer data, it qualifies as a "personal information handling business operator" as prescribed by the Act on the Protection of Personal Information (the "Personal Information Protection Act"). If customer personal information or other data were to be leaked outside the Group, it could potentially affect the Group's business operations and financial performance due to a loss of social trust or liabilities for damages.	To manage personal information risks, the Group obtained ISMS* certification in 2018. The Group endeavors to implement security measures including data encryption, strict access controls, and regular system assessments by external organizations. Furthermore, the Group has established information management rules and manuals, and strictly enforces education and training programs for application developers as well as company-wide training for all employees. *Information Security Management System: A framework for managing the security of an organization's information assets.
Response to technological innovation	The e-commerce and internet-related industries in which the Group operates are characterized by the continuous emergence of rapid technological innovations and new services. If the Group delays its response to these technological innovations or structural changes, or if investments and expenses related to its systems and other infrastructure increase beyond expectations, it could potentially affect the Group's business operations and financial performance.	To mitigate these risks, the Group endeavors to proactively respond by utilizing new functionalities and adapting to changes in service models driven by technological innovations within its business operations.

(5) Risks related to human resources

Risk items	Details and impacts on the Group	Risk mitigation measures
Reliance on key management personnel	Kohey Takashima, Representative Director and CEO, is a central figure in the establishment of the Group and the driving force behind its business operations. He plays a vital role in all aspects of the Group's business activities, including management policies and business strategies, and the Group maintains a high degree of reliance on him. In the event that he becomes unable to fulfill his duties for any reason, it could potentially affect the Group's business operations and financial performance.	To build a management structure that does not overly rely on him, the Group is actively delegating authority to other directors and employees.
Securing and developing human resources	If the market in which the Group operates expands and competition intensifies, competition for talent with other companies may also become fierce, potentially leading to the loss of Group personnel or hindering the recruitment of human resources. Furthermore, if the workload rapidly increases due to a sudden surge in orders, it is possible that situations such as a decline in operational efficiency may occur due to a shortage of personnel. The occurrence of such situations could potentially affect the Group's business operations and financial performance.	To keep pace with rapid business expansion, securing and developing talented personnel has become a critical challenge for the Group. Accordingly, the Group endeavors to develop and promote talent internally, while also recruiting personnel from outside. In addition, because certain operations have a labor-intensive aspect that requires a certain number of employees to be constantly allocated in an efficient manner, the Group strives to continuously focus on recruitment and training for these roles.

(6) Risks related to legal and other

Risk items	Details and impacts on the Group	Risk mitigation measures
Compliance with major laws and regulations	The Group is subject to various laws and regulations, including the Food Sanitation Act, the Food Recycling Act, the Act against Unjustifiable Premiums and Misleading Representations, the Health Promotion Act, the Consumer Contract Act, the Road Traffic Act, the Road Transportation Act, the Antimonopoly Act, the Worker Dispatching Act, and the Building Standards Act. In the event that the Group fails to comply with these laws and regulations, its business operations and financial performance could potentially be affected due to restrictions or suspensions of business activities.	To prevent the occurrence of such risks, the Group has established various internal rules and guidelines, including the Code of Ethics. Furthermore, the Group strives to educate and raise awareness among its officers and employees by enhancing its compliance promotion structure and conducting annual compliance training sessions. In addition, the Group has established an internal reporting system called the "Corporate Ethics Hotline" for cases where officers or employees recognize compliance violations, and takes necessary investigative and corrective measures based on the reports received.

4. Management's discussion and analysis of financial position, operating 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 ended March 31, 2026.

(i) Financial standing and business results

(Unit: million yen)

	Previous consolidated fiscal year	Current consolidated fiscal year	Change from the previous fiscal year	YoY change (%)
Net sales	256,009	251,419	(4,589)	(1.8)
Cost of sales	180,798	177,505	(3,292)	(1.8)
Selling, general and administrative expenses	68,345	66,574	(1,771)	(2.6)
Operating profit	6,864	7,339	474	6.9
Ordinary profit	6,561	6,840	279	4.3
Profit attributable to owners of parent	3,638	4,527	888	24.4

Business results by business segment are as follows.

(Unit: million yen)

	Net sales			Operating profit (loss)		
	Current consolidated fiscal year	Change from the previous fiscal year	YoY change (%)	Current consolidated fiscal year	Change from the previous fiscal year	YoY change (%)
B2C Subscription	94,286	(2,865)	(2.9)	8,265	(1,095)	(11.7)
B2B Subscription	83,385	6,809	8.9	2,908	1,568	117.0
Social Services	40,378	3,818	10.4	1,505	279	22.8
Vehicle Operation Service	14,584	(12,590)	(46.3)	1,369	(560)	(29.0)
Other Businesses	21,702	563	2.7	656	(392)	(37.5)
Adjustment	(2,918)	(325)	12.6	(7,365)	676	(8.4)
Total	251,419	(4,589)	(1.8)	7,339	474	6.9

Effective from the fiscal year ended March 31, 2026, the classification of reportable segments has been changed, and the comparison and analysis with the previous fiscal year are presented based on the revised classification. For details regarding the change in the classification of reportable segments, please refer to "Section 5. Accounting, 1. Consolidated Financial Statements, (1) Consolidated financial statements (Segment information)."

(ii) Cash Flows

With respect to cash flows for the fiscal year under review, cash and cash equivalents (hereinafter "cash") increased by 2,136 million yen due to an increase of 9,284 million yen from operating activities, an increase of 2,037 million yen from investing activities, and a decrease of 9,186 million yen from financing activities, among other factors. As a result, the balance at the end of the period was 21,091 million yen

(iii) Production, Orders Received, and Sales

a. Production

Although the Group engages in production activities, information thereon is omitted due to its low materiality to the business as a whole.

b. Orders received

Information on orders received is omitted because the Group's primary businesses have an extremely short period from procurement to sales.

c. Sales results

Sales results for the fiscal year under review are as stated in "(1) Overview of business results, (i) Financial standing and business results."

(2) Management's discussion and analysis of financial position, operating results and cash flows

Management's understanding, analysis, and discussion of the financial position and operating results of the Group are as follows.

(i) Analysis and discussion of financial position and operating results

a. Financial position and operating results

1) Financial position

(Total assets)

Total assets at the end of the fiscal year under review stood at 108,137 million yen, representing a decrease of 26,426 million yen compared to the balance of 134,564 million yen at the end of the previous fiscal year.

Current assets stood at 53,235 million yen, a decrease of 11 million yen compared to the balance of 53,246 million yen at the end of the previous fiscal year. This decrease was primarily due to an increase of 2,108 million yen in cash and deposits, a decrease of 2,259 million yen in accounts receivable - trade, an increase of 312 million yen in accounts receivable - other, and a decrease of 226 million yen in other current assets, among other factors.

Non-current assets stood at 54,902 million yen, a decrease of 26,414 million yen compared to the balance of 81,317 million yen at the end of the previous fiscal year. This decrease was primarily due to a decrease of 3,629 million yen in property, plant and equipment, a decrease of 19,149 million yen in intangible assets, and a decrease of 3,635 million yen in investments and other assets. The primary factors for the decrease in intangible assets were a decrease of 11,470 million yen in customer-related assets and a decrease of 7,106 million yen in goodwill, primarily due to the impact of the organizational restructuring associated with the sale of the Vehicle Operation and Other Businesses.

(Total liabilities)

Total liabilities at the end of the fiscal year under review stood at 79,067 million yen, representing a decrease of 16,009 million yen compared to the balance of 95,076 million yen at the end of the previous fiscal year.

Current liabilities stood at 47,913 million yen, an increase of 1,979 million yen compared to the balance of 45,933 million yen at the end of the previous fiscal year. This increase was mainly due to a decrease of 1,325 million yen in accounts payable - trade, a decrease of 1,178 million yen in accrued expenses, an increase of 4,060 million yen in short-term borrowings, and an increase of 1,479 million yen in income taxes payable, among other factors.

Non-current liabilities stood at 31,154 million yen, a decrease of 17,989 million yen compared to the balance of 49,143 million yen at the end of the previous fiscal year. This decrease was mainly due to a decrease of 12,344 million yen in long-term borrowings, a decrease of 1,259 million yen in lease liabilities, and a decrease of 4,074 million yen in deferred tax liabilities, among other factors.

(Total net assets)

Total net assets at the end of the fiscal year under review stood at 29,069 million yen, representing a decrease of 10,417 million yen compared to the balance of 39,487 million yen at the end of the previous fiscal year. This decrease was mainly due to profit attributable to owners of parent of 4,527 million yen, a decrease of 7,320 million yen in non-controlling interests, and a decrease of 1,596 million yen in capital surplus, among other factors.

2) Operating results

(Net sales)

Net sales for the fiscal year under review stood at 251,419 million yen, a decrease of 1.8% compared to the previous fiscal year. This decrease was primarily due to a decline in total consolidated net sales, reflecting the impact of the sale of the Vehicle Operation and Other Businesses effective October 1, 2025, although net sales in the B2B Subscription Business increased YoY driven by an increase in the number of new contracts.

(Cost of sales)

Cost of sales for the fiscal year under review stood at 177,505 million yen, a decrease of 1.8% compared to the previous fiscal year. This was mainly due to the fact that while raw material costs rose in the B2C Subscription Business, the B2B Subscription Business successfully absorbed the impact of soaring ingredient costs through the standardization of facility operations, among other factors.

(Selling, general and administrative expenses)

Selling, general and administrative expenses for the fiscal year under review stood at 66,574 million yen, a decrease of 2.6% compared to the previous fiscal year, primarily due to the promotion of company-wide profitability improvements.

(Profit attributable to owners of parent)

Profit attributable to owners of parent for the fiscal year under review stood at 4,527 million yen, an increase of 24.4% compared to the previous fiscal year, finishing significantly ahead of the initial forecast. This was achieved as a result of non-operating income and extraordinary income, including a gain on sale of the Vehicle Operation and Other Businesses, being recorded, which offset non-operating expenses and extraordinary losses, such as interest expenses and impairment losses, and also reflected the promotion of tax optimization initiatives.

b. Business results by segment

In the B2C Subscription Business, we receive orders from customers through our website and catalogs, and operate a home delivery business providing high-value-added food products (including fruits, vegetables, processed foods, and meal kits) with a low environmental impact based on our unique cultivation and production standards, as well as daily necessities and miscellaneous goods.

In Japan, we primarily engage in the direct sales of food products and ingredient via the internet and catalogs, operating three brands: "Oisix," "Daichi wo Mamoru Kai," and "Radish Boya." "Oisix" primarily targets dual-income households raising children, providing products and services that offer premium time-savings. "Daichi wo Mamoru Kai" focuses on refining its services centering on domestic and organic ingredient under the concept of "thoroughly natural, single-mindedly domestically produced." "Radish Boya" primarily targets households that wish to contribute to society and support producers through daily life activities such as cooking, and is developing products and services such as "Fuzoroi Radish."

Overseas, we operate the "Purple Carrot" brand in the United States. "Purple Carrot" primarily targets consumers who are plant-based oriented and highly interested in achieving a healthy lifestyle through their dietary habits, offering products and services that provide time-savings aligned with a plant-based diet.

Regarding "Oisix," the number of subscribers has fluctuated in the 350,000 to 360,000 range over the last two fiscal years. While ARPU remained firm against the backdrop of improvements in products and services centered on "Cho-Raku Kit" (ultra-easy meal kits), net sales decreased compared to the same period of the previous fiscal year due to a decline in the number of subscribers.

Segment profit decreased compared to the same period of the previous fiscal year due to soaring raw material prices and

increased marketing expenses.

As a result of the above, net sales amounted to 94,286 million yen (down 2.9% YoY), and segment profit amounted to 8,265 million yen (down 11.7% YoY).

In the B2B Subscription Business, we engage in the wholesale distribution of food ingredient to nurseries, the contracted operation of cafeterias and management services in companies, government offices, schools, and nurseries, the contracted operation of healthcare food services for hospital inpatients and catering services for residential care facilities for the elderly, the contracted operation of school lunch programs, and the sale of food ingredient to the restaurant industry.

Net sales increased compared to the same period of the previous fiscal year due to the promotion of price optimization and an increase in the number of new contracts.

Segment profit increased compared to the same period of the previous fiscal year, achieving a significant increase in profit, as the standardization of facility operations progressed smoothly and the profit margin improved substantially YoY.

As a result of the above, net sales amounted to 83,385 million yen (up 8.9% YoY), and segment profit amounted to 2,908 million yen (up 117.0% YoY).

In the Social Services Business, we operate and manage facilities for local governments, including after-school clubs (after-school care services), libraries, and children's centers, and also provide various outsourcing services to private companies.

Regarding net sales, we have continuously and proactively engaged in proposal activities since the previous fiscal year to capture the growing need for outsourcing administrative services to the private sector, driven by labor shortages and rising costs resulting from a declining birthrate and aging population. In particular, we steadily increased the number of contracts by proposing various types of content to address diversifying childcare needs, centered on the after-school care service business, resulting in an increase compared to the same period of the previous fiscal year.

Segment profit increased compared to the same period of the previous fiscal year, reflecting the strong performance of the after-school care service business.

As a result of the above, net sales amounted to 40,378 million yen (up 10.4% YoY), and segment profit amounted to 1,505 million yen (up 22.8% YoY).

In the Vehicle Operation Service Business, we provide contracted vehicle operation and management services to both private companies and local governments. Since DAISHINTO Inc. and one other subsidiary—which were classified under the Vehicle Operation Service Business—were excluded from the scope of consolidation due to the transfer of all their shares, their operating results for the period from April 1, 2025, to September 30, 2025, are presented.

Regarding net sales, we acquired projects by strengthening proposal activities that captured the growing need for mobility solutions in local areas, such as school bus demand driven by the withdrawal of existing route buses and school consolidations, in addition to continuous strong orders for executive vehicle management services driven by enhanced web promotions. However, net sales decreased compared to the same period of the previous fiscal year due to the impact of the exclusion from consolidation.

Segment profit decreased compared to the same period of the previous fiscal year due to the impact of the exclusion from consolidation.

As a result of the above, net sales amounted to 14,584 million yen (down 46.3% YoY), and segment profit amounted to 1,369 million yen (down 29.0% YoY).

The Other Businesses segment consists of other companies' e-commerce support business, mobile supermarket business, and investment business, among others. Net sales increased compared to the same period of the previous fiscal year due to effects such as the contribution of subsidiaries acquired through M&A. On the other hand, segment profit decreased compared to the same period of the previous fiscal year.

Since SHiDAX HOLDINGS CORPORATION, SHiDAX CORPORATION, and four other subsidiaries—which were classified under the Other Businesses segment—were excluded from the scope of consolidation due to the transfer of all their shares, their operating results for the period from April 1, 2025, to September 30, 2025, are presented.

As a result of the above, net sales amounted to 21,702 million yen (up 2.7% YoY), and segment profit amounted to 656 million

yen (down 37.5% YoY).

(ii) Analysis and discussion of financial position, operating results, and cash flows, and information on financial sources of capital and liquidity of funds

a. Cash flows

The balance of cash and cash equivalents at the end of the current fiscal year increased by 2,136 million yen compared to the end of the previous fiscal year to 21,091 million yen.

The status of each cash flow during the current fiscal year and the main factors behind them are as follows.

(Cash flow from operating activities)

Net cash provided by operating activities was 9,284 million yen (up 165.6% YoY).

This was primarily due to profit before income taxes of 7,435 million yen, depreciation of 4,387 million yen, impairment losses of 1,707 million yen, and amortization of goodwill of 1,187 million yen, which were partially offset by gain on sale of shares of subsidiaries and associates of 2,292 million yen, income taxes paid of 1,965 million yen, and an increase in trade receivables of 1,413 million yen.

(Cash flow used in investing activities)

Net cash provided by investing activities amounted to 2,037 million yen (net cash used in investing activities was 12,451 million yen in the previous fiscal year).

The main factors were proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation of 3,473 million yen, which were partially offset by the acquisition of tangible fixed assets of 1,104 million yen, and purchase of intangible assets of 771 million yen.

(Cash flow from financing activities)

Net cash used in financing activities was 9,186 million yen (an increase of 492.0% YoY).

This was primarily due to repayments of long-term borrowings of 20,876 million yen and purchase of shares of subsidiaries not resulting in change in scope of consolidation of 1,498 million yen, which were partially offset by proceeds from long-term borrowings of 11,020 million yen and a net increase in short-term borrowings of 4,360 million yen.

b. Financial sources of capital and liquidity of funds

1) Funding and treasury policies

As a general rule, the Group currently funds its working capital requirements through its own funds (retained earnings) and short-term borrowings based on overdraft agreements. Regarding funds for capital expenditures, if a shortage of funds arises under the capital expenditure plan, the Group considers financing through long-term borrowings. Furthermore, in cases where capital expenditure projects occur continuously or large-scale projects arise, the Group will consider fund raising, keeping in mind the long-term reinforcement of its financial structure.

2) Capital requirements

The primary working capital requirements for the Group's business activities consist of operating expenses, such as the purchase of merchandise, packing and shipping expenses to deliver products to customers, and marketing expenses mainly aimed at acquiring new customers. In addition, requirements for capital expenditures include investments in the new construction and expansion of equipment and facilities, such as logistics centers, and investments in software development, such as the upgrade of sales management systems.

(iii) Critical accounting estimates and assumptions used in such estimates

The consolidated financial statements of the Group are prepared in accordance with accounting principles generally accepted in Japan. The preparation of these financial statements requires management to make judgments and estimates that affect the selection and application of accounting policies, as well as the reported amounts of assets, liabilities, revenue, and expenses.

Management makes these estimates reasonably, taking into account past performance and other factors; however, due to the inherent uncertainties of estimates, actual results may differ from these estimates.

Significant accounting policies of the Company and its consolidated subsidiaries are described in "Section 5. Accounting, 1. Consolidated Financial Statements, (1) Notes to Consolidated Financial Statements (Significant matters forming the basis of preparing the consolidated financial statements)." In addition, critical accounting estimates and assumptions used in such estimates are described in "Section 5. Accounting, 1. Consolidated Financial Statements, (1) Notes to Consolidated Financial Statements (Significant accounting estimates)."

5. Important agreement for business

Agreement on the amendment to the shareholders' agreement concerning the SHiDAX Group

Date of contract	Counterparty	Principal terms of the contract
June 26, 2025	Mr. Kinichi Shida, SDI Corporation, and other existing shareholders of SHiDAX HOLDINGS CORPORATION (hereinafter referred to as "SDXHD")	Basic agreement on the execution of a company split (incorporation-type company split) of SDXHD and SHiDAX CORPORATION and the related transfer of shares, etc.
		Acquisition of shares in the newly established company through the incorporation-type company split of SDXHD
September 30, 2025	SDXHD	Transfer of shares of SDXHD held by the Company to the said company

Consequent to the execution of the aforementioned agreement, the capital relationship with SDXHD was dissolved. Accordingly, the shareholders' agreement dated November 10, 2023 concluded with the founding family of SDXHD and the agreements with financial institutions related to SDXHD's borrowings are omitted as they have become immaterial.

6. Research and development activities

Not applicable

Section 3. Equipment and Facilities

1. Overview of capital expenditures

The total amount of capital expenditures implemented during the fiscal year ended March 31, 2026 was 1,899 million yen (including lease assets). This was mainly due to system-related investments in the B2C subscription business.

There was no material retirement, sale, etc. of facilities during the fiscal year.

2. Major equipment and facilities

Major facilities of the Group are as follows.

(1) Reporting company

As of March 31, 2026

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)	B2C Subscription, B2B Subscription, common to all segments	General business facility	162	–	75	6	977	203	1,424	729 (161)
ORD Ebina Station (Ebina, Kanagawa Prefecture)	B2C Subscription	Logistics facility	438	1,228	213	9,478	55	–	11,414	36 (483)
ORD Atsugi Cold Storage Station (Atsugi, Kanagawa Prefecture)	B2C Subscription	Logistics facility	300	1,979	445	7,342	174	–	10,242	3 (–)

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 establishment, disposal, etc. of facilities

(1) New establishment of material equipment and facilities

Plans for new installation, etc. of material facilities as of the end of the fiscal year ended March 31, 2026 are as follows.

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)	B2C Subscription	Software development, etc.	522	–	Equity capital	April 2026	March 2027	Improving operational efficiency and strengthening the security system

(2) Disposal, etc. of material facilities

There are no plans for disposal, etc. of material facilities, excluding the disposal, etc. for routine replacement of facilities.

Section 4. Corporate Information

1. Information about shares

(1) Total number of shares and other related information

(i) Total number of shares

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

(ii) Number of shares issued

Class	Shares outstanding as of the end of the business year (March 31, 2026)	Shares outstanding as of date of Report submission (June 24, 2026)	Name of listed financial instruments exchange or registered financial instruments industry association	Details
Common stock	36,940,000	36,940,000	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	36,940,000	36,940,000	–	–

(2) Status of the 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) Transition of total number of issued shares and capital stock

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, 2021 – March 31, 2022 (Note 1)	15,984	38,014,892	1	3,994	1	7,874
April 1, 2022 – March 31, 2023 (Note 2)	13,200	38,028,092	1	3,995	1	7,876
May 30, 2025 – (Note 3)	(68,092)	37,960,000	–	3,995	–	7,876
March 30, 2026 (Note 4)	(1,020,000)	36,940,000	–	3,995	–	7,876

Notes:

- 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 Annual General Meetings of Shareholders held June 23, 2021, and June 21, 2022.
- 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 Annual General Meeting of Shareholders held June 21, 2022.
- 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.
- The total number of shares outstanding decreased by 1,020,000 shares to 36,940,000 shares as a result of the retirement of treasury stock on March 30, 2026, under a resolution passed by the Board of Directors in its meeting held March 26, 2026.

(5) Composition of ownership

As of March 31, 2026

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	–	9	20	95	86	37	14,732	14,979	–
Shares held (minimum trading units)	–	52,099	4,988	26,069	118,171	412	167,173	368,912	48,800
Percentage of shares held	–	14.12	1.35	7.07	32.14	0.11	45.31	100.00	–

Note: Treasury stock of 2,207,156 shares is included under 22,071 minimum trading units under “Individuals and others” and 56 shares under “Shares in less than the minimum trading unit.”

(6) Major shareholders

As of March 31, 2026

Name	Address	Shares held	Percentage held of shares outstanding (not including treasury shares)
Kohey Takashima	Shinagawa-ku, Tokyo	4,847,200	13.96
STATE STREET BANK AND TRUST COMPANY 505001 (standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	One Congress Street, Suite 1, Boston, Massachusetts (Shinagawa Intercity A, 15-1 Konan 2-chome, Minato-ku, Tokyo)	2,922,559	8.41
The Master Trust Bank of Japan, Ltd. (Trust Account)	Akasaka Intercity AIR, 8-1 Akasaka 1-chome, Minato-ku, Tokyo	2,759,900	7.95
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)	2,595,800	7.47
Custody Bank of Japan, Ltd. (Trust Account)	8-12 Harumi 1-chome, Chuo-ku, Tokyo	2,221,100	6.39
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)	1,154,300	3.32
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
Recruit Co., Ltd.	Gran Tokyo South Tower, 9-2 Marunouchi 1-chome, Chiyoda-ku, Tokyo	1,000,000	2.88
NORTHERN TRUST Co. (AVFC) SUB A/C USL NON-TREATY (standing proxy: The Hongkong and Shanghai Banking Corporation, Ltd., Tokyo Branch)	50 Bank Street Canary Wharf London E14 5NT, UK (11-1 Nihonbashi 3-chome, Chuo-ku, Tokyo)	925,242	2.66
Total	—	20,458,617	58.9

Notes:

- 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.
- Although a change report pertaining to a large shareholding report made available for public inspection as of February 21, 2024 stated that Baillie Gifford & Co held the following shares as of February 15, 2024, the Company was not able to confirm the number of shares realistically held by the report filer as of the record date for voting rights. Therefore, this information was not included in the status of major shareholders above.

The contents of the change report pertaining to the large shareholding report are as follows:

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

- Although a change report pertaining to a large shareholding report made available for public inspection as of December 17, 2025 stated that Grantham, Mayo, Van Otterloo & Co. LLC held the following shares as of December 16, 2025, the Company was not able to confirm the number of shares realistically held by the report filer as of the record date for voting rights. Therefore, this information was not included in the status of major shareholders above.

The contents of the change report pertaining to the large shareholding report are as follows:

Name	Address	Shares held (thousands)	Percentage held of shares
Grantham, Mayo, Van Otterloo & Co. LLC	53 State Street, Suite3300, Boston, Massachusetts 02109, U.S.A.	3,528	10.16

(7) Voting rights

(i) Shares outstanding

As of March 31, 2026

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 2,207,100	–	–
Shares with voting rights (other)	Common stock 34,684,100	346,841	–
Shares in less than the minimum trading unit	Common stock 48,800	–	–
Total shares outstanding	36,940,000	–	–
Total shareholder voting rights	–	346,841	–

(ii) Treasury stock

As of March 31, 2026

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	2,207,100	–	2,207,100	5.97
Total	–	2,207,100	–	2,207,100	5.97

2. Acquisition of treasury shares

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

Not applicable

(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	74	116,328
Treasury stock acquired during the period	44	61,776

Note: Treasury stock acquired during the period excludes shares in less than the minimum trading unit acquired from June 1, 2026, 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	1,088,092	2,247,978,911	–	–
Treasury stock acquired subjected to mergers, stock swaps, granting of shares, or stock splits	–	–	–	–
Other	–	–	–	–
Total treasury shares held	2,207,156	–	2,207,200	–

Note: Treasury stock acquired during the period excludes shares in less than the minimum trading unit acquired from June 1, 2026, through the date on which the Report was submitted.

3. Dividend policy

The Company considers returning profits to shareholders to be one of its key management priorities. The Company's basic policy is to pay dividends, while also considering the need to secure investment resources for sustainable growth and maintain financial stability to further enhance shareholder returns.

In principle, the Company's basic policy is to pay dividends from surplus once a year as a year-end dividend. However, the Company has adopted an interim dividend system, and its Articles of Incorporation stipulate that the Board of Directors is the organ authorized to resolve both year-end and interim dividends.

Dividends of surplus for which the record date falls within the fiscal year under review are as follows.

Resolution	Total amount of dividends (million yen)	Dividends per share (yen)
October 30, 2025 Resolution of Board of Directors	277	8.00
May 14, 2026 Resolution of Board of Directors	416	12.00

4. Corporate governance

(1) Overview of corporate governance

(i) Basic approach to corporate governance

The Company positions corporate governance as a management governance function. Based on the recognition that it is an indispensable function for continuously enhancing corporate value, the Company is striving to strengthen and enrich its corporate governance system. Furthermore, to fulfill its accountability to the entire investment market, including shareholders, the Company believes it is extremely important to ensure transparency and fairness in decision-making, as well as to implement prompt and appropriate information disclosure.

Regarding compliance, which supports corporate governance, the Company views its essence, returning to the literal meaning of the word, as meeting the expectations of society. In this regard, compliance with laws and regulations is not an end in itself, but is considered a prerequisite and a necessary means for realizing the Company's business philosophy and resolving social issues through business. The Company recognizes that gaining the trust of stakeholders, including shareholders and business partners, through the thorough enforcement of its compliance system is an important management priority

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

A. Overview of the corporate governance system

The Company is a company with an Audit & Supervisory Board. As corporate organs under the Companies Act, the Company has established a General Meeting of Shareholders, a Board of Directors, and an Audit & Supervisory Board, and as voluntary organs, an Executive Committee and a Nomination and Remuneration Committee.

a. Board of Directors

As of the filing date of this report, the Board of Directors of the Company consists of nine Directors (including five Outside Directors). In addition to a regular Board of Directors meeting held once a month, extraordinary Board of Directors meetings are held as necessary to make decisions on important matters and mutually supervise the execution of duties. Corporate Auditors attend every Board of Directors meeting to audit the status of business execution by the Directors.

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

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

Regarding the approval authority, the Company is promoting the delegation of authority to ensure the effectiveness of deliberations by the Board of Directors. At the same time, the Company aims to ensure an appropriate decision-making process by submitting matters that do not require a board resolution to the Board of Directors as items for prior consultation as necessary.

During the fiscal year under review, the Board of Directors conducted discussions on the organizational restructuring within the Group, the shareholder return policy, ESG, and information security, among other matters.

Status of main activities of the business year

	Status of attendance and participation in discussions
Director Mitsuyo Hanada	Director Mitsuyo Hanada attended 13 of 13 Board of Directors meetings 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.

	Status of attendance and participation in discussions
Director Hitoshi Tanaka	Director Hitoshi Tanaka attended 12 of 13 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.
Director Junko Watabe	Director Junko Watabe attended 13 of 13 Board of Directors meetings 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 13 of 13 Board of Directors meetings 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 13 of 13 Board of Directors meetings 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 from the perspective of the public and consumers.
Corporate Auditor Chika Otobe	Corporate Auditor Chika Otobe attended 13 of 13 Board of Directors meetings and 18 of 18 Audit & Supervisory Board meetings 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 corporate divisions and audit divisions at various companies.
Corporate Auditor Yukihiro Moroe	Corporate Auditor Yukihiro Moroe attended 13 of 13 Board of Directors meetings and 18 of 18 Audit & Supervisory Board meetings 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 13 of 13 Board of Directors meetings and 18 of 18 Audit & Supervisory Board meetings 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 12 of 13 Board of Directors meetings and 18 of 18 Audit & Supervisory Board meetings 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 certified public accountant and corporate auditor at other companies.

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

The attributes and skills (expertise, experience, insights, etc.) of each Director are described in the skill matrix below. (Information regarding Corporate Auditors is described in (3) "Status of Audits.")

<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			○	52	Male	Founder, representative, CEO	26	●	●	●	●		●	
Yusuke Tsutsumi				48	Male	Founding team member, general business supervision	26		●	●	●		●	
Hiroyuki Ozaki				73	Male	Retail business operation, general management supervision	17				●	●		●
Kohei Matsumoto				42	Male	Specifics, management planning supervision	8		●			●	●	
Mitsuyo Hanada	●	●	◎	77	Male	University professor (organization, human resources)	19				●	●		●
Hitoshi Tanaka	●	●	○	63	Male	Management of a publicly traded company	11	●	●	●	●			
Junko Watabe	●	●		48	Female	Information management/digital business management	7		●	●	●	●		
Wakako Sakurai	●	●		53	Female	Marketing business management	8	●	●	●				
Misato Kowaki	●	●		42	Female	Independent marketing business	5		●	●	●			

Addendum to the Officers' Skills Matrix

Kohey Takashima	Since the founding of the Company in 1997, he has led the management of the Company and the Group as Representative Director. He possesses broad and deep insights as well as a strong passion regarding the management of the Company and the Group.
Yusuke Tsutsumi	As one of the founding members of the Company in 1997, he has been responsible for the operations and management of the Company and the Group. He possesses broad and deep insights as well as a strong passion regarding the management of the Company and the Group.
Hiroyuki Ozaki	After joining the Company, he leveraged his experience in the operations and management of the retail business, while also managing the administrative departments to support the growth of the Company. He possesses broad and deep insights as well as a strong passion regarding the management of the Company and the Group.
Kohei Matsumoto	After joining the Company, he served in corporate planning functions and subsequently assumed office as Director. He possesses broad and deep insights as well as a strong passion regarding the management of the Company and the Group.
Mitsuyo Hanada	He possesses broad insights into overall corporate management, centering on human resources and organizations from an academic perspective as a university professor. In addition, he has served as a Director of the Company since prior to its listing on the Mothers market of the Tokyo Stock Exchange, and possesses deep knowledge of the Company's growth process. Based on these factors, the Company expects that he will continue to provide beneficial advice and opinions to the Company, while maintaining a good balance with other Outside Officers. Furthermore, he has been designated and registered as an independent officer in light of the independence criteria established by the Tokyo Stock Exchange, on which the Company relies.
Hitoshi Tanaka	He has served as Representative Director of JINS HOLDINGS Inc. for many years. Based on these factors, the Company expects him to provide appropriate advice and recommendations based on his extensive experience as a corporate leader, as well as to supervise the management of the Company. Furthermore, he has been designated and registered as an independent officer in light of the independence criteria established by the Tokyo Stock Exchange, on which the Company relies.
Junko Watabe	She possesses broad insights into customer management from a digital perspective at the Recruit Group. Based on these factors, the Company expects her to provide various types of advice and opinions regarding the management of the Company. Furthermore, she has been designated and registered as an independent officer in light of the independence criteria established by the Tokyo Stock Exchange, on which the Company relies.
Wakako Sakurai	She has many years of experience at ABC Cooking Studio Co., Ltd. and possesses a wealth of insights into the content business at NTT DOCOMO, INC. Based on these factors, the Company expects her to provide various types of advice and opinions regarding the management of the Company. Furthermore, she has been designated and registered as an independent officer in light of the independence criteria established by the Tokyo Stock Exchange, on which the Company relies.
Misato Kowaki	She has experience in various types of planning, consulting, and book publishing related to the lifestyle sectors of food, clothing, and housing. The Company believes this experience is beneficial to the Company as it pursues the creation of new business value in the food sector, and expects her to provide advice and opinions based on her experience and insights from the perspective of lifestyle-conscious people and consumers. Furthermore, she has been designated and registered as an independent officer in light of the independence criteria established by the Tokyo Stock Exchange, on which the Company relies.

b. Management Committee

The Company holds a management committee meeting every week, which consists of Directors (excluding Outside Directors), Full-time Corporate Auditors, and executive officers who are the heads of respective departments. As a decision-making body second only to the Board of Directors, it aims to review daily business execution and accelerate decision-making.

Chairperson:	Representative Director and CEO Kohey Takashima
Directors:	Yusuke Tsutsumi, Hiroyuki Ozaki, Kohei Matsumoto
Outside Audit & Supervisory Board Member:	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 Nagao, Fumiko Okada, Tetsuya Nakagawa

c. Corporate Auditors and Audit & Supervisory Board

The Corporate Auditors of the Company consist of one Full-time Corporate Auditor and three Part-time Corporate Auditors, all of whom are Outside Corporate Auditors. The Audit & Supervisory Board is composed of these Corporate Auditors.

Each Corporate Auditor strives to enhance the effectiveness of corporate governance by attending the Board of Directors meetings and other important meetings to express their opinions. In principle, the Audit & Supervisory Board meetings are held on the same days as the regular Board of Directors meetings.

Outside Audit & Supervisory Board Members:	(Full-time) Chika Otobe (Part-time) Yukihiro Moroe, Takashi Kokubo, Kengo Wada
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d. Establishment of Nomination and Remuneration Committee

At the Board of Directors meeting held on May 26, 2022, the Company resolved to establish the Nomination and Remuneration Committee as a voluntary advisory body to the Board of Directors, and the committee commenced its activities in June of the same year. This committee was reorganized from the former Officer Remuneration Advisory Council. By leveraging the insights and advice of Outside Officers, and by ensuring that a majority of its three members are Outside Directors who are independent officers, the committee aims to ensure objectivity and transparency in the procedures for nominating Directors and determining their remuneration. Through these measures, the committee intends to enhance the supervisory function of the Board of Directors and further enrich corporate governance.

As of the filing date of this report, Mr. Mitsuyo Hanada, an Independent Outside Director of the Company, serves as the chairperson of the Nomination and Remuneration Committee. Mr. Hitoshi Tanaka, an Independent Outside Director of the Company, and Mr. Kohey Takashima, Representative Director, CEO of the Company, serve as committee members. All members attended both of the two meetings held during the fiscal year under review.

The Nomination and Remuneration Committee deliberates on matters including the system design for each Director's remuneration, the status of business execution, the Company's business performance, and the ideal management structure based on the Company's business plans and challenges. Regarding the remuneration and nomination of Directors, the committee provides recommendations in response to consultations from the Board of Directors.

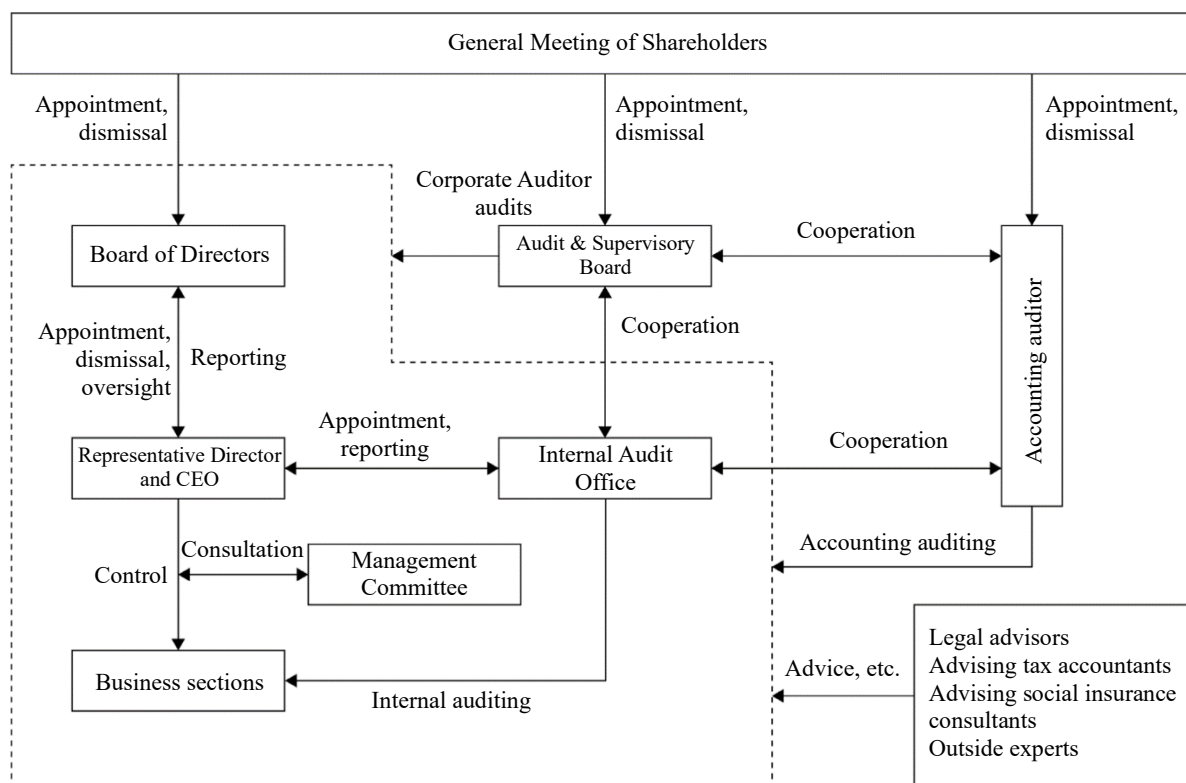
* The Company has proposed "Election of Nine (9) Directors" and "Election of One (1) Audit & Supervisory Board Member" as proposals (matters for resolution) for the Annual General Meeting of Shareholders scheduled to be held on June 25, 2026. If these proposals are approved and resolved, the Company will have nine Directors (including five Outside Directors) and four Corporate Auditors (including three Outside Corporate Auditors), and their composition will be as described in "(2) List of Officers, (i) b." below. In addition, "Appointment of Nomination and Remuneration Committee Members" is scheduled to be referred for resolution at the Board of Directors meeting to be held immediately following the said Annual General Meeting of Shareholders. If this matter is approved and resolved, the members of the Nomination and Remuneration Committee will be Mr. Mitsuyo Hanada (Independent Outside Director), Mr. Hitoshi Tanaka (Independent Outside Director), and Mr. Kohey Takashima (Representative Director and CEO).

B. Reasons for adopting the system

The Company has adopted the organizational structure of a company with an Audit & Supervisory Board. This structure concentrates the authority and responsibility for business execution in the Board of Directors, which is the highest decision-making body of management. Meanwhile, the Corporate Auditors and the Audit & Supervisory Board, which are independent of the Board of Directors, are responsible for the auditing function over the Board of Directors.

The Company believes that this two-pronged system, which provides sufficient checks and balances, ensures appropriate decision-making by the Board of Directors and effective supervision of the execution of duties by Directors.

The corporate governance structure chart of the Company as of the filing date of this report is as follows.



(iii) Other matters related to corporate governance

A. Status of the internal controls system development

At the Board of Directors meeting held on October 30, 2006, the Company resolved on the "Basic Policy on Establishing Internal Control Systems" to develop a system to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, and other systems to ensure the appropriateness of business operations of the stock company. Since then, the Company has reviewed this basic policy from time to time.

The contents, which were revised at the Board of Directors meeting held on March 21, 2024 and are currently in operation, are as follows.

(i) System to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation

Directors must, either personally or through the directors, etc. and employees of the Company's subsidiaries, act in compliance with laws and regulations, the Articles of Incorporation, and internal regulations as personifications of the Company's business philosophy, and must always act with social common sense.

The Board of Directors must, either as a collective body itself or through the directors, etc. and employees of the Company or the Company's subsidiaries, strive to build an effective internal control system and establish a company-wide compliance system.

Corporate Auditors shall attend Board of Directors meetings in accordance with the provisions of the Companies Act, and may also attend important meetings hosted by Directors to express their opinions.

(ii) System for the preservation and management of information related to the execution of duties by Directors

Regarding important information that requires disclosure as prescribed by laws and regulations, the Company shall promptly disclose such information.

Ringi-sho (request for approval documents), minutes, and other documents in the decision-making process related to the execution of duties by Directors shall be preserved in an appropriate condition in accordance with the document management regulations.

In addition, Directors and Corporate Auditors shall be able to view these documents at any time.

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

From the perspective of risk management regarding loss, each internal regulation and manual shall prescribe the management of the relevant risk of loss.

The Company shall establish a Risk Management Committee as a department that specializedly handles risk management. In cooperation with relevant departments, the committee shall identify operational and management risks of the Company and its subsidiaries, compile risk analysis, evaluations, and countermeasures, and report them periodically to the Board of Directors and the Audit & Supervisory Board.

In order to ensure that all officers and employees can take appropriate actions in the event of an unforeseen circumstance, the Company shall develop communication systems and action manuals.

(iv) System to ensure that the execution of duties by Directors is performed efficiently

The Board of Directors shall meet once a month to decide on important matters prescribed by laws and regulations, the Articles of Incorporation, and the Board of Directors regulations, and to report on the status of business execution.

In order to promptly make decisions regarding the execution of duties of the Company, the Company shall hold Management Committees consisting of Full-time Directors and designated persons in accordance with the Executive Committee regulations to conduct deliberations and decide on business execution policies and important matters.

(v) System to ensure that the execution of duties by employees complies with laws and regulations and the Articles of Incorporation

The Company shall establish its business philosophy to clarify the fundamental philosophy of corporate activities, and for employees, shall prescribe the employee code of conduct that serves as the basis for their daily actions.

If an employee of the Company or the Company's subsidiaries becomes aware of an act that violates laws and regulations, the regulations prescribed by the company (including relevant norms), or social conventions, the employee must promptly report it to a supervisor or the whistleblowing contact point.

In accordance with the internal audit regulations, the Internal Audit Office shall periodically conduct internal audits on the overall business operations of the Company and its subsidiaries regarding the status of compliance and the appropriateness of business procedures and contents, and shall report the results to the CEO.

(vi) System to ensure the appropriateness of business operations in the corporate group consisting of the Company and its parent company and subsidiaries

The Company shall prescribe affiliate management regulations to establish a system where the execution of duties by subsidiaries is performed efficiently. Based on these regulations, the Company shall require its subsidiaries to report matters related to the execution of duties by directors, etc. of the subsidiaries to the Company in a timely and appropriate manner.

In addition, the Company shall dispatch Directors or Corporate Auditors to major subsidiaries to supervise and audit the execution of duties by directors, etc. of the subsidiaries from time to time, and shall receive reports on matters related to the execution of duties in the subsidiaries from the dispatched persons as appropriate.

The Director of the Corporate Planning Division of the Company shall provide guidance to the Company's subsidiaries so that they develop appropriate internal control systems.

The Internal Audit Office shall conduct internal audits at each of the Company's subsidiaries and strive to ensure the effectiveness and appropriateness of internal controls across the overall business operations of each subsidiary.

- (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 them in their duties, the Board of Directors shall, through consultation with the Corporate Auditors, designate necessary personnel from the Internal Audit Office and other departments deemed necessary to serve as employees to assist the Corporate Auditors.

- (viii) Matters related to the independence of employees assisting Corporate Auditors from Directors and matters concerning ensuring the effectiveness of instructions given to such employees

Employees designated to assist Corporate Auditors in their duties shall act under the command and authority of the Corporate Auditors during the period of assistance, and shall not receive any instructions or orders from Directors or any other persons other than the Corporate Auditors.

In addition, personnel changes, personnel evaluations, rewards and punishments, and all other matters concerning such employees based on their actions to assist Corporate Auditors in their duties shall be determined based on consultation with the Corporate Auditors, thereby ensuring their independence from Directors and any other persons other than the Corporate Auditors.

- (ix) System for Directors and employees to report to Corporate Auditors and other systems concerning reporting to Corporate Auditors

If an event deemed important occurs during the course of business execution, Directors and employees of the Company and its subsidiaries must promptly report the details of the relevant event to Corporate Auditors. In addition, if requested by Corporate Auditors to make a report, they shall bear the obligation to report. Furthermore, the Company and its subsidiaries shall not subject such persons to dismissal or any other disadvantageous treatment on the grounds of having made the relevant report.

The Company shall establish a contact point for receiving consultations, communications, and reports from Directors and employees of the Company and its subsidiaries (hereinafter referred to as the "internal whistleblowing contact point") to strive for the early detection of violations and to take appropriate actions.

The secretariat of the internal whistleblowing contact point shall report the status of reports made to the internal whistleblowing contact point and the status of their processing to Corporate Auditors.

The Company and its subsidiaries shall thoroughly familiarize all officers and employees with the "internal whistleblowing regulations," and shall not subject whistleblowers to dismissal or any other disadvantageous treatment.

- (x) Other systems to ensure that audits by Corporate Auditors are conducted effectively, and matters concerning procedures for advance payment or reimbursement of expenses incurred for the execution of duties by Corporate Auditors and policies related to the processing of other expenses or liabilities incurred for the execution of said duties

In the execution of their duties, Corporate Auditors shall have the authority to independently form their own opinions on whether the execution of duties by Directors of the Company and its subsidiaries is appropriately performed in compliance with laws and regulations and the Articles of Incorporation, without receiving any restrictions from any other persons.

To ensure this independence and authority, the Corporate Auditors' audit standards shall clarify the authority of Corporate Auditors. In addition, Corporate Auditors shall conduct audits in cooperation with the Internal Audit Office, the Accounting Auditor, and other persons deemed necessary, thereby ensuring the effectiveness of the audits.

Corporate Auditors may utilize legal and accounting experts at the Company's expense as necessary in the execution of their duties. Furthermore, when the Company and its subsidiaries receive a request from Corporate Auditors for necessary expenses incurred for the execution of their duties, they shall promptly process the settlement of such expenses, except for those clearly recognized as unnecessary for the execution of the duties of Corporate Auditors.

(xi) Systems for ensuring the propriety of financial reporting

The Company, as well as its consolidated subsidiaries and equity-method affiliates, shall comply with internal regulations, accounting standards, and other relevant laws and regulations to ensure the reliability of financial reporting and to appropriately respond to the internal control reporting system prescribed by the Financial Instruments and Exchange Act. The Company shall establish internal systems, thoroughly familiarize all officers and employees with them to raise their awareness, and periodically evaluate the effectiveness thereof.

(xii) Basic policy against antisocial forces and status of its development

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.

The Company has established the "Declaration on Countermeasures Against Antisocial Forces," which states that the Company will sever all relationships with antisocial forces. The Company strives to prevent any relationships with antisocial forces and groups coexisting with them by conducting background checks on business partners when initiating new transactions.

In addition, the Company and its subsidiaries have formulated the "Antisocial Forces Response Manual" to prepare for potential contact from antisocial forces, and prescribe that the Administrative Division will take primary responsibility for handling such situations. Furthermore, the Company has established a system to take appropriate measures by consulting with corporate lawyers, the police, and the Center for Removal of Criminal Organizations at an early stage if necessary.

B. Status of risk management systems development

The Risk Management Committee plays a vital role in maintaining the Company's risk management and compliance systems. The committee consists of executive officers and other members, with the Full-time Corporate Auditor also constantly participating. Its duties include raising awareness and educating officers and employees regarding compliance, as well as receiving reports of acts violating laws and regulations and investigating the facts thereof. Specifically, the committee holds regular monthly meetings, focusing on subcommittee activities for each theme, to report and deliberate on compliance-related matters such as confirming the status of internal whistleblowing reports, responses to antisocial forces, and the status of compliance with labor-related laws and regulations, as well as risk management matters and the status of internal control responses.

In addition, the Company has established an internal whistleblowing system (referred to as the "Corporate Ethics Hotline") in accordance with the intent of the Whistleblower Protection Act to contribute to thorough compliance. Through this system, employees of the Company can report to an outside lawyer contact point or an internal contact point person when facts subject to reporting, such as violations of laws and regulations prescribed in the Whistleblower Protection Act or other serious compliance violations, have occurred or are about to occur. In addition to taking appropriate protective measures for the whistleblower, the reported information is reported to the Risk Management Committee by the person in charge of the Corporate Ethics Hotline contact point, and corrective measures are taken if necessary.

Furthermore, as codes that all officers and employees of the Company must comply with, the Company has established the "Ethics Regulations," "Oisix Group Code of Ethics," "Oisix Group Human Rights Policy," "Environmental Policy," and "Oisix Group Anti-Bribery and Anti-Corruption Policy" to prescribe matters concerning respect for human rights, consideration for the natural environment, fair trade, the prohibition of entertainment and gifts that exceed social common sense, and information management, and strives to disseminate and raise awareness of them. As compliance initiatives for individual business operations, the Company confirms the status of compliance with laws and regulations closely related to its business operations, such as the Act on the Protection of Personal Information, the Act against Unjustifiable Premiums and Misleading Representations, and the Specified Commercial Transactions Act. The Company also disseminates knowledge on laws and regulations through compliance training conducted once a year for all employees and training at the time of joining the Company.

C. Status of system development to ensure the appropriateness of business operations of subsidiaries

The Director of the Corporate Planning Division shall provide guidance to the Group companies, including subsidiaries and affiliates, so that they develop appropriate internal control systems.

The Internal Audit Office shall conduct internal audits at each of the Group companies, including subsidiaries and affiliates, and strive to ensure the effectiveness and appropriateness of internal controls across the overall business operations of each company.

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

The Company stipulates in its Articles of Incorporation that special resolutions prescribed in Article 309, Paragraph 2 of the Companies Act shall be adopted by two-thirds or more of the voting rights of the shareholders present at the meeting, who hold one-third or more of the voting rights of the shareholders entitled to exercise their voting rights. The purpose of this provision is to ensure the smooth operation of the General Meeting of Shareholders by relaxing the quorum requirements for special resolutions at the General Meeting of Shareholders.

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

a. Decision-making body for distribution of surplus

The Company stipulates in its Articles of Incorporation that matters prescribed in each item of Article 459, Paragraph 1 of the Companies Act, such as the distribution of surplus, shall be determined by a resolution of the Board of Directors rather than a resolution of the General Meeting of Shareholders, unless otherwise provided by laws and regulations. The purpose of this provision is to ensure flexible return of profits to shareholders.

b. Matters related to the interim dividends system

The Company stipulates in its Articles of Incorporation that it may pay interim dividends with September 30 as the record date every year by a resolution of the Board of Directors, pursuant to the provisions of Article 454, Paragraph 5 of the Companies Act. The purpose of this provision is to ensure flexible return of profits to shareholders.

c. Acquisition of treasury stock

The Company stipulates in its Articles of Incorporation that it may acquire its treasury shares by a resolution of the Board of Directors pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act. This provision enables the Company to flexibly implement financial and other management policies in response to changes in economic conditions.

H. Overview of directors and officers liability insurance contract

The Company has concluded a directors and officers liability insurance contract, the overview of which is as follows, to secure talented human resources and prevent shrinkage of the execution of duties, and the contract is scheduled to be renewed in October 2026.

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 2026.

a. Proportion of insurance premiums borne by the insured

The Company bears the insurance premiums, including those for special riders, and there is no substantial burden of insurance premiums on the insured.

b. Overview of insurance accidents covered

Together with the special riders, the contract indemnifies damages that may arise from the insured directors and officers being held liable for the execution of their duties or receiving claims related to the pursuit of such liability. However, there are certain disclaimer clauses, such as cases where the act was committed with the awareness that it violated laws and regulations.

(2) Officers

(i) List of officers

a. 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
Representative Director and CEO	Kohey Takashima	August 15, 1973	April 1998 June 2000 June 2011 October 2015 July 2016 December 2018 May 2019 October 2019 November 2022 October 2023 January 2024 May 2024 January 2025 April 2025 May 2025 September 2025	Joined McKinsey & Company Inc. Japan Representative Director, CEO of the Company (present) Representative Director of Eat and Energize the East Association (present) Director of Oisix Hong Kong Co., Ltd. (present) Representative Director and Chairman of Tokushimaru Inc. (present) Director of Oisix Inc. (present) Director of Three Limes, Inc. (present) Director of WELCOME Co., Ltd. (DEAN & DELUCA) (present) Co-Representative Director of Data for Social Transformation (currently EVIDENCE STUDIO Association) (present) Representative Director of SEOU Association (currently PDA Association) (present) Representative Director and Chairman of Niigata Albirex Baseball Club, Inc. (currently Niigata Professional Baseball Club, Inc.) (present) Representative Director of Oisikur Inc. (present) Outside Director of Benesse Corporation (present) Executive Board Member of Japan Association of Corporate Executives (Keizai Doyukai) (present) Representative Director of SHiDAX CONTRACT FOOD SERVICE CORPORATION (present) Representative Director of SHiDAX FOOD SERVICE CORPORATION (present) Representative Director of SHiDAX Human & Food Services, Inc. (present)	*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
Director Executive Officer	Yusuke Tsutsumi	March 22, 1978	June 1997 October 1999 July 2008 July 2018 April 2024 May 2024 September 2025	Joined the Company Director of the Company Director and Executive Officer of the Company (present) Director of Karabiner Technology Inc. (present) Representative Director of SHiDAX CONTRACT FOOD SERVICE CORPORATION (present) Representative Director of SHiDAX FOOD SERVICE CORPORATION (present) Representative Director of SLOGIX CORPORATION (present) Outside Director of nonpi Inc. (currently BONDISH Inc.) (present) Director of SHiDAX Human & Food Services, Inc. (present)	*3	720,000
Director Executive Officer	Hiroyuki Ozaki	October 14, 1952	April 1975 September 2006 October 2006 July 2008 June 2009 August 2024 September 2025	Joined Daiei, Inc. Executive Officer of the same Director of the same Joined the Company as Advisor Director and Executive Officer of the Company (present) Board Member of Sustainable Careers Association (present) Director of SHiDAX Human & Food Services, Inc. (present)	*3	86,000
Director Executive Officer	Kohei Matsumoto	January 24, 1984	April 2008 July 2014 April 2017 June 2018 August 2019 March 2021 September 2021 July 2022	Joined the Company Executive Officer of the Company Director of Nihon Agri, Inc. (present) Director and Executive Officer of the Company (present) Representative Director of Future Food Fund Inc. (present) Director of Toyosu Gyosho Sanchoku Ichiba Co., Ltd. (present) Outside Director of HiOLI Inc. (present) Outside Director of MiL Inc. (present)	*3	7,400

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	Mitsuyo Hanada	August 8, 1948	April 1986 March 1990 June 2007 June 2011 April 2014 April 2014 May 2017	Professor, SANNO University Professor of Faculty of Policy Management, Keio University Outside Director of the Company (present) Outside Director of Mitani Sangyo Co., Ltd. (present) Professor Emeritus, Keio University (present) Representative Director, SFC Forum Association (present) Representative Director, Career Advisors Council Association (present)	*3	4,800
Director	Hitoshi Tanaka	January 25, 1963	July 1988 June 2011 June 2015 May 2018 December 2018 June 2021 October 2022 December 2023	Established JIN CO., LTD. (currently JINS HOLDINGS Inc.); Representative Director of the same (present) Representative Director of BRAND NEW DAY Co., Ltd. Outside Director of the Company (present) Representative Director of JINS JAPAN Inc. (currently JINS Inc.) Representative Director of Think Lab. Inc. (present) Outside Director of Japan Communications Inc. (present) Outside Director, Mebuku Ground Inc. (present) Director of JINS Inc. (present)	*3	20,000
Director	Junko Watabe	June 27, 1977	April 2000 May 2002 October 2004 April 2014 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, Recruit Lifestyle Co., Ltd. Outside Director of the Company (present) General Manager of ID Point Product Service Development Department, Recruit Co., Ltd. (present); General Manager, Cross-functional CRM Department (currently Cross-functional Marketing Department) of the same (present) General Manager of Quality Coordination Office (currently Quality Management Office) of the same (present) Outside Director of Loyalty Marketing, Inc. (present) Outside Director of YUDA MILK INC. (present)	*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 July 2013 January 2017 June 2018 January 2021 June 2022 May 2023 May 2023 January 2025 April 2025: April 2026	Joined Jenne Co., Ltd. (currently ABC Cooking Studio Co., Ltd.) President and Representative Director of the same Joined NTT DOCOMO, INC. Outside Director of the Company (present) President and Representative Director of Plus W, Inc. (present) Executive Officer of NTT DOCOMO, INC. (present) Director of NTT DOCOMO Studio & Live Inc. (present) President and Representative Director of Plus W America Inc. (present) Director, Aichi International Arena Co., Ltd. (present) Director, Japan National Stadium Entertainment Co., Ltd. (present) President & Representative Director, Shizuoka Central Arena Co., Ltd. (present)	*3	—
Director	Misato Kowaki	October 23, 1983	April 2006 April 2009 April 2011 June 2011 September 2015 September 2016 May 2020 August 2020 October 2020 June 2021	Launched the apparel brand "Joiias" and served concurrently as press and designer Handled numerous main projects as a fashion editor for the magazine "CanCam" Representative Director of LYLA Inc. (present) Launched the wedding dress brand "heureux de Misato Kowaki," serving as a stylist for popular artists and handling books and photo collections Selected "Monotone Storage" at the Seven & i Group Launched "TOKYOOTONAKITTY," a project for adult women by Sanrio, and assumed the position of advisor Received the Best Mother Award in the Economics Category Appointed as Advisor to Sabae City, Advisor for Promoting Women's Participation and Advancement Established the web media "MOTHERS Editorial Department" and assumed the position of Editor-in Chief Outside Director of the Company (present)	*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
Corporate Auditor (Standing)	Chika Otobe	September 4, 1965	April 1990 August 1999 November 2005 June 2006 July 2012 June 2021	Joined the Industrial Bank of Japan, Ltd. (currently Mizuho Bank, Ltd.). Joined DeNA (currently DeNA Co., Ltd.); responsible for administration Responsible for internal audits at the President's Office of the same Corporate auditor of the same Sole proprietor of a business entity supporting startups Outside Auditor of the Company (present)	*4	—
Corporate Auditor (non-executive)	Yukihiro Moroe	July 18, 1955	March 1979 November 1985 July 1988 November 1998 August 2008 June 2009 June 2011 March 2014 September 2018 November 2021	Joined Jusco (currently AEON Co., Ltd.). Joined Nomura Securities Co., Ltd. Joined Goldman Sachs Japan Co., Ltd. Managing Director of the same Representative Director of YUME CAPITAL Co., Ltd. (present) Representative Director of Itohan Japan Co., Ltd. (present) Outside Corporate Auditor of the Company (present) Director of IMM FOOD SERVICE INC. (present) Outside Director of SUMIDA CORPORATION Outside Director of JOYFUL HONDA CO., LTD. Outside Director of Rentio Inc. (present)	*4	4,800
Corporate Auditor (non-executive)	Takashi Kokubo	January 18, 1974	October 2000 March 2014 January 2017 January 2017 March 2017 June 2019 June 2020 January 2022 July 2024 August 2024	Registered as attorney-at-law Joined Nishimura & Partners (currently Nishimura & Asahi) Established Kokubo Law Office Audit and Supervisory Committee member of AOI TYO Holdings Inc. (currently KANAMEL Inc.) Outside Director of AZoom Co. Ltd. (present) Representative Director of Kokubo Law Office (present) Outside Director of Nice Corporation (present) Outside Corporate Auditor of the Company (present) Outside Director of xpd Inc. Outside Corporate Auditor of FOLIO Holdings Co., Ltd. (present) Outside Director of KANAMEL Inc. (present)	*4	—

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)	Kengo Wada	October 28, 1977	October 2000	Joined Asahi & Co. (currently KPMG AZSA LLC)	*4	—
			February 2006	Joined GCA Corporation (currently Houlihan Lokey, Inc.)		
			February 2015	Representative Director of AIPartners, Inc. (present)		
			June 2017	Outside Corporate Auditor of ZIGExN Co., Ltd. (present)		
			July 2017	Outside Corporate Auditor of Aluc Co., Ltd. (present)		
			February 2018	Outside Corporate Auditor of Cloud Ace, Inc. (present)		
			August 2023	Outside Corporate Auditor of Gunosy Inc. (present)		
			June 2024	Outside Corporate Auditor of the Company (present)		
Total						5,690,200

Notes:

- Mr. Mitsuyo Hanada, Mr. Hitoshi Tanaka, Ms. Junko Watabe, Ms. Wakako Sakurai, and Ms. Misato Kowaki are Outside Directors.
- Ms. Chika Otobe, Mr. Yukihiko Moroe, Mr. Takashi Kokubo, and Mr. Kengo Wada are Outside Corporate Auditors.
- From appointment on June 26, 2025, until the conclusion of the Annual General Meeting of Shareholders for the final business year ending within one year thereafter
- From appointment on June 25, 2024, until the conclusion of the Annual General Meeting of Shareholders for the final business year ending within four years thereafter
- The Company introduced the Executive Officer System to further stimulate the Board of Directors, to improve management efficiency, and to enhance corporate governance by separating the management decision-making and supervisory functions from the execution of operations, thereby clearly defining the responsibilities and authorities of each business unit.

Title	Roles
Executive Officers	<ul style="list-style-type: none"> Serve as operational executive officers, taking the lead in their designated roles, overseeing performance KPIs within their assigned domains, and solving problems through general management, as well as driving execution KPIs Responsible for reviewing matters submitted to the Management Committee and reviewing and proposing important management topics
Specialized Executive	<ul style="list-style-type: none"> Responsible for mission KPI in their sections where they can contribute through their unique and specialized expertise Support problem-solving by leveraging their specialized knowledge, insight, and networks in their respective fields Hold responsibilities for deliberating on and proposing agendas at the Management Committee and the Executive Officer Meeting depending on the subject matter

- 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.

b. At the Annual General Meeting of Shareholders scheduled to be held on June 25, 2026, the Company has proposed "Election of Nine (9) Directors" and "Election of One (1) Audit & Supervisory Board Member" as matters to be resolved (agendas). Subject to the approval and passage of these proposals, the Company's Officers are scheduled to be as follows.

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
Representative Director and CEO	Kohey Takashima	August 15, 1973	April 1998 June 2000 June 2011 October 2015 July 2016 December 2018 May 2019 October 2019 November 2022 October 2023 January 2024 May 2024 January 2025 April 2025 May 2025 September 2025	Joined McKinsey & Company Inc. Japan Representative Director, CEO of the Company (present) Representative Director of Eat and Energize the East Association (present) Director of Oisix Hong Kong Co., Ltd. (present) Representative Director and Chairman of Tokushimaru Inc. (present) Director of Oisix Inc. (present) Director of Three Limes, Inc. (present) Director of WELCOME Co., Ltd. (DEAN & DELUCA) (present) Co-Representative Director of Data for Social Transformation (currently EVIDENCE STUDIO Association) (present) Representative Director of SEOU Association (currently PDA Association) (present) Representative Director and Chairman of Niigata Albirex Baseball Club, Inc. (currently Niigata Professional Baseball Club, Inc.) (present) Representative Director of Oisikur Inc. (present) Outside Director of Benesse Corporation (present) Executive Board Member of Japan Association of Corporate Executives (Keizai Doyukai) (present) Representative Director of SHiDAX CONTRACT FOOD SERVICE CORPORATION (present) Representative Director of SHiDAX FOOD SERVICE CORPORATION (present) Representative Director of SHiDAX Human & Food Services, Inc. (present)	*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
Director Executive Officer	Yusuke Tsutsumi	March 22, 1978	June 1997 October 1999 July 2008 July 2018 April 2024 May 2024 September 2025	Joined the Company Director of the Company Director and Executive Officer of the Company (present) Director of Karabiner Technology Inc. (present) Representative Director of SHiDAX CONTRACT FOOD SERVICE CORPORATION (present) Representative Director of SHiDAX FOOD SERVICE CORPORATION (present) Representative Director of SLOGIX CORPORATION (present) Outside Director of nonpi Inc. (currently BONDISH Inc.) (present) Director of SHiDAX Human & Food Services, Inc. (present)	*3	720,000
Director Executive Officer	Hiroyuki Ozaki	October 14, 1952	April 1975 September 2006 October 2006 July 2008 June 2009 August 2024 September 2025	Joined the Daiei, Inc. Executive Officer of the same Director of the same Joined the Company as Advisor Director and Executive Officer of the Company (present) Board Member of Sustainable Careers Association (present) Director of SHiDAX Human & Food Services, Inc. (present)	*3	86,000
Director Executive Officer	Kohei Matsumoto	January 24, 1984	April 2008 July 2014 April 2017 June 2018 August 2019 March 2021 September 2021 July 2022	Joined the Company Executive Officer of the Company Director of Nihon Agri, Inc. (present) Director and Executive Officer of the Company (present) Representative Director of Future Food Fund Inc. (present) Director of Toyosu Gyosho Sanchoku Ichiba Co., Ltd. (present) Outside Director of HiOLI Inc. (present) Outside Director of MiL Inc. (present)	*3	7,400

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	Mitsuyo Hanada	August 8, 1948	April 1986 March 1990 June 2007 June 2011 April 2014 April 2014 May 2017	Professor, SANNO University Professor of Faculty of Policy Management, Keio University Outside Director of the Company (present) Outside Director of Mitani Sangyo Co., Ltd. (present) Professor Emeritus, Keio University (present) Representative Director, SFC Forum Association (present) Representative Director, Career Advisors Council Association (present)	*3	4,800
Director	Hitoshi Tanaka	January 25, 1963	July 1988 June 2011 June 2015 May 2018 December 2018 June 2021 October 2022 December 2023	Established JIN CO., LTD. (currently JINS HOLDINGS Inc.); Representative Director of the same (present) Representative Director of BRAND NEW DAY Co., Ltd. Outside Director of the Company (present) Representative Director of JINS JAPAN Inc. (currently JINS Inc.) Representative Director of Think Lab. Inc. (present) Outside Director of Japan Communications Inc. (present) Outside Director, Mebuku Ground Inc. (present) Director of JINS Inc. (present)	*3	20,000
Director	Junko Watabe	June 27, 1977	April 2000 May 2002 October 2004 April 2014 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, Recruit Lifestyle Co., Ltd. Outside Director of the Company (present) General Manager of ID Point Product Service Development Department, Recruit Co., Ltd. (present); General Manager, Cross-functional CRM Department (currently Cross-functional Marketing Department) of the same (present) General Manager of Quality Coordination Office (currently Quality Management Office) of the same (present) Outside Director of Loyalty Marketing, Inc. (present) Outside Director of YUDA MILK INC. (present)	*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 July 2013 January 2017 June 2018 January 2021 June 2022 May 2023 May 2023 January 2025 April 2025 April 2026	Joined Jenne Co., Ltd. (currently ABC Cooking Studio Co., Ltd.) President and Representative Director of the same Joined NTT DOCOMO, INC. Outside Director of the Company (present) President and Representative Director of Plus W, Inc. (present) Executive Officer of NTT DOCOMO, INC. (present) Director of NTT DOCOMO Studio & Live Inc. (present) President and Representative Director of Plus W America Inc. (present) Director, Aichi International Arena Co., Ltd. (present) Director, Japan National Stadium Entertainment Co., Ltd. (present) President & Representative Director, Shizuoka Central Arena Co., Ltd. (present)	*3	—
Director	Misato Kowaki	October 23, 1983	April 2006 April 2009 April 2011 June 2011 September 2015 September 2016 May 2020 August 2020 October 2020 June 2021	Launched the apparel brand "Joiias" and served concurrently as press and designer Handled numerous main projects as a fashion editor for the magazine "CanCam" Representative Director of LYLA Inc. (present) Launched the wedding dress brand "heureux de Misato Kowaki," serving as a stylist for popular artists and handling books and photo collections Selected "Monotone Storage" at the Seven & i Group Launched "TOKYOOTONAKITTY," a project for adult women by Sanrio, and assumed the position of advisor Received the Best Mother Award in the Economics Category Appointed as Advisor to Sabae City, Advisor for Promoting Women's Participation and Advancement Established the web media "MOTHERS Editorial Department" and assumed the position of Editor-in Chief Outside Director of the Company (present)	*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
Corporate Auditor (Standing)	Emi Kobayashi	November 13, 1980	April 2003 December 2008 October 2022 October 2022 June 2026	Joined the Tono Shinkin Bank. Joined AZSA & Co. (currently KPMG AZSA LLC) Representative, Emi Kobayashi CPA Office (present) Joined the Company (present) Corporate Auditor of the Company (present)	*4	—
Corporate Auditor (non-executive)	Yukihiro Moroe	July 18, 1955	March 1979 November 1985 July 1988 November 1998 August 2008 June 2009 June 2011 March 2014 September 2018 November 2021	Joined Jusco (currently AEON Co., Ltd.). Joined Nomura Securities Co., Ltd. Joined Goldman Sachs Japan Co., Ltd. Managing Director of the same Representative Director of YUME CAPITAL Co., Ltd. (present) Representative Director of Itohan Japan Co., Ltd. (present) Outside Corporate Auditor of the Company (present) Director of IMM FOOD SERVICE INC. (present) Outside Director of SUMIDA CORPORATION Outside Director of JOYFUL HONDA CO., LTD. Outside Director of Rentio Inc. (present)	*4	4,800
Corporate Auditor (non-executive)	Takashi Kokubo	January 18, 1974	October 2000 March 2014 January 2017 January 2017 March 2017 June 2019 June 2020 January 2022 July 2024 August 2024	Registered as attorney-at-law Joined Nishimura & Partners (currently Nishimura & Asahi) Established Kokubo Law Office Audit and Supervisory Committee member of AOI TYO Holdings Inc. (currently KANAMEL Inc.) Outside Director of AZoom Co. Ltd. (present) Representative Director of Kokubo Law Office (present) Outside Director of Nice Corporation (present) Outside Corporate Auditor of the Company (present) Outside Director of xpd Inc. Outside Corporate Auditor of FOLIO Holdings Co., Ltd. (present) Outside Director of KANAMEL Inc. (present)	*4	—

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)	Kengo Wada	October 28, 1977	October 2000	Joined Asahi & Co. (currently KPMG AZSA LLC)	*4	—
			February 2006	Joined GCA Corporation (currently Houlihan Lokey, Inc.)		
			February 2015	Representative Director of AIPartners, Inc. (present)		
			June 2017	Outside Corporate Auditor of ZIGExN Co., Ltd. (present)		
			July 2017	Outside Corporate Auditor of Alue Co., Ltd. (present)		
			February 2018	Outside Corporate Auditor of Cloud Ace, Inc. (present)		
			August 2023	Outside Corporate Auditor of Gunosy Inc. (present)		
			June 2024	Outside Corporate Auditor of the Company (present)		
Total						5,690,200

Notes:

1. Mr. Mitsuyo Hanada, Mr. Hitoshi Tanaka, Ms. Junko Watabe, Ms. Wakako Sakurai, and Ms. Misato Kowaki are Outside Directors.
2. Mr. Yukihiro Moroe, Mr. Takashi Kokubo, and Mr. Kengo Wada are Outside Corporate Auditors.
3. Term of office is until the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2027.
4. Term of office is until the conclusion of the Annual General Meeting of Shareholders for the fiscal year ending March 31, 2028.

(ii) Status of Outside Officers

As of the filing date of this report, the Company has five Outside Directors and four Outside Corporate Auditors.

Outside 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.

Outside Director Junko Watabe provides supervision and advice based on her extensive knowledge and insights in customer management at Recruit Co., Ltd., a major shareholder of the Company.

Outside Director Hitoshi Tanaka has served as President and Representative Director of JINS HOLDINGS Inc. for many years. He provides supervision and advice based on his wealth of experience and extensive insights as a corporate executive.

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

Outside Director Misato Kowaki has experience working on a freelance basis in various areas including planning, consulting, and book publishing related to the lifestyle scenes of clothing, food, and housing, which also reflects her activities from the perspective of ordinary citizens and consumers. Based on these experiences and insights, she provides advice from a beneficial perspective to the Company as it pursues the creation of new business value in the food sector.

Outside Corporate Auditor Chika Otake strives to enhance the Company's audit system, drawing on her insights gained from her experience in administration and internal audit departments, as a corporate auditor at companies listed on the First Section of the Tokyo Stock Exchange, and through providing management support to various companies.

Outside Corporate Auditor Yukihiro Moroe strives to enhance the Company's audit system, leveraging his professional knowledge and experience as a securities analyst.

Outside Corporate Auditor Takashi Kokubo strives to enhance the Company's audit system, leveraging his professional knowledge and experience as an attorney at law.

Outside Corporate Auditor Kengo Wada strives to enhance the Company's audit system, leveraging his professional knowledge and experience as a certified public accountant.

Outside Director Mitsuyo Hanada and Corporate Auditor Yukihiro Moroe each own 4,800 shares of Company stock, while Outside 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 Outside Directors and Corporate Auditors.

While the Company has not established clear standards or policies on independence in the selection of Outside 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 Outside Director and Corporate Auditor can exercise the appropriate oversight or audit activities based on his or her insights and specialized knowledge.

(iii) Collaboration between supervision or audits by Outside Directors or Outside Corporate Auditors and internal audits, Corporate Auditor Audits, and accounting audits, as well as relationship with Internal Audit Office

The five Outside Directors exchange information with the Corporate Planning Department, the Human Resources Planning Department, and the Administration Department, respectively, thereby striving to improve the efficiency and effectiveness of business operations.

In addition, mutual cooperation among the four Outside Corporate Auditors, internal audits, corporate auditor audits, and accounting audits, as well as their relationship with internal control departments, are as described in "(3) Status of Audits" below.

(3) Status of Audits

(i) Status of Audits by Audit & Supervisory Board Members

a. Organization and personnel

To enhance our auditing functions, the Company established the Audit & Supervisory Board in June 2007. The Audit & Supervisory Board is composed of four Audit & Supervisory Board Members (one full-time member and three part-time members), all of whom meet the qualifications for independent officers and outside corporate auditors.

The attributes and skills (expertise, experience, insights, etc.) of each Audit & Supervisory Board Member are presented in the skill matrix below. By leveraging a wide variety of insights and viewpoints, we achieve realistic and effective audits over the execution of duties by Directors.

Officer's skills matrix

Notable skills are indicated by ●

Name	Properties							Specialization, experience, knowledge						
	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	●	●	(*)	60	Female	Management consulting	5				●	●		●
Yukihiro Moroe	●	●		70	Male	Investment business management	17	●			●		●	
Takashi Kokubo	●	●		52	Male	Attorney	6				●	●	●	
Kengo Wada	●	●		48	Male	Certified public accountant	2		●			●	●	

* The Nomination and Remuneration Committee consists of three Directors: Mitsuyo Hanada, Hitoshi Tanaka, and Kohey Takashima, and no Audit & Supervisory Board Members are included in its membership. The Audit & Supervisory Board is in a position to audit the reports submitted by the Committee and the decisions made by the directors based on those reports.

Addendum to the Officers' Skills Matrix

Chika Otobe	As one of the founding members of an IT venture company, she established the administrative and internal audit departments, and oversaw operations through the company's growth up to its listing, subsequently assuming office as an Audit & Supervisory Board Member of the company. Thereafter, utilizing this experience, she has supported the overall management of companies, with a focus on startups. She is capable of achieving realistic and effective audits, regardless of corporate scale or industry, through her understanding of the perspectives of both the auditor and the auditee.
Yukihiro Moroe	He possesses considerable knowledge and insight regarding finance and accounting, bringing perspectives from both corporate management and external analysts/markets within the retail, distribution, and investment sectors, as well as capital markets. Leveraging this background, he has served as an outside officer for multiple companies. Having served as a corporate auditor since before the Company's listing on the Tokyo Stock Exchange, he understands the Company's history, transition, and actual operations, enabling him to conduct practical and effective audits from an objective standpoint.
Takashi Kokubo	As an attorney-at-law, he gained extensive experience in general corporate legal affairs at a major law firm before establishing his own office. In addition to his legal expertise, he possesses considerable knowledge and insight regarding finance and accounting through his involvement in the management of investment companies and by serving as an outside director and outside corporate auditor for multiple companies, enabling him to conduct practical and effective audits.
Kengo Wada	As a certified public accountant, he has extensive experience and broad insight and possesses a high level of professional expertise in accounting. In addition to these qualifications, he has been involved in various industries through M&A, investments, and finance, and has also served as an outside corporate auditor for multiple companies. Based on this sufficient knowledge and insight regarding finance and accounting, he is capable of conducting practical and effective audits.

b. Activities of the Audit & Supervisory Board

Each corporate auditor conducts operational and accounting audits in accordance with the audit policies* and plans determined by the Audit & Supervisory Board, through attending meetings of the Board of Directors and other important meetings, exchanging opinions with directors, conducting on-site inspections of major business locations, reviewing important approval documents, and collaborating with the Independent Auditor and the Internal Audit Office.

Important meetings attended include the Management Committee, the Executive Officers Meeting and the Risk Management Committee. In addition to attending the weekly regular meetings of each committee, corporate auditors attend the monthly general meetings of the Risk Management Committee to monitor the status of the development and operational implementation of the risk management system.

Regarding on-site inspections of business sites, corporate auditors witness physical inventory counts and conduct actual inspections at major logistics and manufacturing sites.

Furthermore, to grasp the overall status of business operations, corporate auditors conduct interviews with each department in accordance with the annual plan.

In terms of collaboration with the Internal Audit Office, corporate auditors hold weekly regular meetings to confirm the status of the development and operation of internal controls.

* Audit policy

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

1. Basic policy

The corporate auditors of the Company, using the Auditing Standards for Corporate Auditors as their guideline, shall audit the execution of duties by Directors. Through their audits, they aim to contribute to the Company's sustainable growth toward the realization of the corporate philosophy and the creation of medium- to long-term corporate value, thereby establishing a high-quality corporate governance system that meets social trust.

- (1) Ensuring the soundness of the Company through preventive audits
- (2) Audits focusing on the management decision-making processes
- (3) Audits of the maintenance and operational status of internal control systems
- (4) Formulation and declaration of the opinions of the Audit & Supervisory Board
- (5) Response to audits across the corporate group from the perspective of consolidated management
- (6) Flexible audit system

c. Operation of the Audit & Supervisory Board

In addition to regular meetings held monthly in principle (each lasting approximately one hour), the Audit & Supervisory Board holds extraordinary meetings as necessary. It deliberates and resolves matters related to audits based on the regulations of the Audit & Supervisory Board. Corporate auditors attend meetings of the Board of Directors to audit the status of the execution of duties by Directors and resolutions made by the Board of Directors, among other matters.

The attendance status of individual corporate auditors at meetings of the Audit & Supervisory Board and the Board of Directors during the fiscal year under review is as follows.

Name	Audit & Supervisory Board meetings held/attended (extraordinary meetings)	(Ref.) Board of Directors meetings held/attended	Content of statements
Chika Otobe	18/18 (6/6)	13/13	Made statements as appropriate based on extensive knowledge and experience concerning administrative and audit sections at various companies.
Yukihiro Moroe	18/18 (6/6)	13/13	Made statements as appropriate based on extensive knowledge and experience centered on corporate management and investment markets.
Takashi Kokubo	18/18 (6/6)	13/13	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	18/18 (6/6)	13/12	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 five resolutions in writing.

d. Activities of the Audit & Supervisory Board

The major matters of resolutions, discussions, and reports in the Audit & Supervisory Board meetings are as follows.

(Regular Audit & Supervisory Board Meetings)

Resolutions (7 matters)	Audit policies and audit plans, the audit report of the Audit & Supervisory Board, the reappointment of the Accounting Auditor, and the consent to the audit remuneration of the Accounting Auditor, etc.
Consultation and reporting (36 matters)	Exchange of opinions on proposals to the Board of Directors, the draft audit policy and plan of the Accounting Auditor, the draft audit report of the Audit & Supervisory Board, the status of group risk management, and regular quarterly reports on internal audits, etc.

(Extraordinary Audit & Supervisory Board meetings)

Six 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

The Company's internal audits are conducted based on the internal audit regulations and aim to objectively investigate and evaluate the actual status of the Company's business operations and property management across all departments, in principle once a year, based on generally accepted standards. By recommending opinions or measures to each department, the audits are implemented for the purpose of contributing to rationalizing management and improving operational efficiency.

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

The details of activities and results of internal audits are reported to the Board of Directors. The Internal Audit Office also mutually collaborates with corporate auditors and the Independent Auditor as follows.

The Internal Audit Office periodically exchanges information with corporate auditors regarding the status of the implementation of internal audits, and reports on the status of internal audits to the Audit & Supervisory Board on a quarterly basis.

Regarding the exchange of information and opinions with the Independent Auditor, the Internal Audit Office shares information by attending meetings where the Independent Auditor reports the details of regular quarterly accounting audits to corporate

auditors, and exchanges opinions as necessary regarding the presence or absence of any accounting audit issues and future challenges.

(iii) Status of accounting audits

a. Name of auditing firm

Deloitte Touche Tohmatsu LLC

b. Period of Continuous Audits

19 years

c. CPAs involved in audit

Mitsuyasu Nakagiri, Engagement Partner

Kenji Oyama, Engagement Partner

d. Composition of assistants involved in audit work

20 CPAs, 37 other staff members

e. Policy and reason for selecting audit firm

When selecting the Accounting Auditor, the Company's policy is to evaluate candidates comprehensively, considering whether they possess a certain scale and global network capable of executing efficient audit work in response to the wide-ranging business operations of the Company. The Company also evaluates whether their review system is well-established, whether the overview of the audit plan, specific execution guidelines, and audit fees are reasonable and appropriate, and takes into account their past audit performance. Based on this policy, the Company has selected Deloitte Touche Tohmatsu LLC as its Accounting Auditor because it fully satisfies all these criteria.

f. Evaluation of the auditing firm by the Audit & Supervisory Board Members and the Audit & Supervisory Board

The Company's Audit & Supervisory Board evaluates Deloitte Touche Tohmatsu LLC and has confirmed that the accounting audits by the auditing firm are being executed appropriately.

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	180	–	120	–
Consolidated subsidiaries	73	3	7	1
Total	254	3	127	1

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

Not applicable

d. Policy for determination of audit remuneration

With respect to the policy for determining audit remuneration for the Company's certified public accountants, etc., the amount is determined by taking into consideration the audit plan, details of audits, and audit days formulated by Deloitte Touche Tohmatsu LLC, and through consultation between the Company and the said audit firm, with the consent of the Audit & Supervisory Board.

e. Reasons for the Audit & Supervisory Board's consent to remuneration etc. for 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) Remuneration of Directors and Audit & Supervisory Board Members

(i) Policy for determining the details of individual remuneration for Directors

The policy was determined at the Board of Directors meeting held on February 25, 2021, and necessary changes have been made following the establishment of the Nomination and Remuneration Committee at the Board of Directors meeting held on May 26, 2022.

<u>Policy for determining the remuneration of individual Directors</u>
<p>1. Basic policy</p> <p>The basic policy of the Company for determining the remuneration of Directors is to establish a remuneration system that functions effectively as an incentive to achieve sustainable enhancement of corporate value. In determining individual remuneration for each Director, the Company aims to ensure an appropriate level based on their respective roles and responsibilities, business performance, and other factors.</p> <p>Specifically, the Company shall pay only fixed remuneration, which is determined by taking into comprehensive consideration the position, assigned duties, business performance of each period, and remuneration levels at other companies.</p> <p>2. Policy on determining the amount of individual basic remuneration (monetary remuneration) (Including policy on determining the timing or conditions of granting remuneration etc.) The basic remuneration for Directors of the Company shall be a fixed monthly remuneration. Within the total amount resolved at the General Meeting of Shareholders, it shall be determined by taking into comprehensive consideration the position, assigned duties, business performance of each period, and other relevant factors.</p> <p>3. Matters concerning decisions on the details of individual remuneration, etc. for Directors</p> <p>Based on a resolution of the Board of Directors, the Representative Director and CEO shall be delegated the authority to determine the specific details of individual remuneration amounts, and the scope of such authority shall be the determination of the amount of basic remuneration.</p> <p>To ensure that such authority is appropriately exercised by the Representative Director and CEO, the Representative Director shall make decisions by respecting the contents of the deliberations by the Nomination and Remuneration Committee.</p>

(ii) Matters concerning delegation of authority to determine the details of individual remuneration, etc. for Directors

The Representative Director and CEO, Mr. Kohey Takashima, determines the specific details of individual remuneration amounts for Directors based on a delegation resolution of the Board of Directors.

The scope of this authority includes preparing draft proposals for remuneration and determining the final remuneration amounts while respecting the details of recommendations made by the Nomination and Remuneration Committee.

The reason for delegating these authorities is that while he, as the founder, possesses a thorough grasp and understanding of the business, human resources, and the organization as a whole, he is also expected to make objective judgments as he serves as an outside officer at other companies and a director of various organizations.

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

The individual remuneration amounts determined by the Representative Director and CEO based on the recommendations of the Nomination and Remuneration Committee are reported to the Board of Directors after determination, and the Board of Directors confirms that the details of individual remuneration, etc. for each Director are in line with the aforementioned determination policy.

(iv) Total amounts of remuneration by officer category, total amounts by remuneration type, and the 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 Outside Directors)	190	190	—	—	4
Corporate Auditors (excluding Outside Directors)	—	—	—	—	—
Outside officers	60	60	—	—	7

* 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) Status of shareholdings

(i) Criteria for and approach to classification of investment shares

The Company classifies investment shares held solely for the purpose of profiting from changes in the value of shares or from dividends on shares as investment shares held for pure investment purposes. All other investment shares are classified as investment shares held for purposes other than pure investment.

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

a. Holding policy, method for verifying the rationality of holdings, and details of verification by the Board of Directors, etc.

The Company holds shares of companies when deemed necessary as part of its management strategies, such as business alliances, as well as to build favorable relationships with business partners and promote smooth business operations.

The Company periodically verifies the significance and rationality of holding purposes, as well as the benefits of holding individual stocks, at the Board of Directors meetings. If any shares are recognized as not contributing to the medium- to long-term enhancement of corporate value, the Company will consider selling or otherwise disposing of them as necessary.

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	244
Shares other than unlisted shares	2	454

(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	1	26	Acquisition was made for the purpose of strengthening business relationships
Shares other than unlisted shares	1	102	Acquisition was made for the purpose of addressing material issues and developing sustainable business operations.

(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	1	193

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	Ownership of the Company's shares
	Shares	Shares		
	Total amount recorded on balance sheet (million yen)	Total amount recorded on balance sheet (million yen)		
AP HOLDINGS CO., LTD.	362,100	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 seafood directly from producers.	No
	326	505		
Sea Forest Pty Limited	500,000	–	The acquisition was made for the purpose of utilizing global expertise and establishing collaborative relationships toward the expansion of sustainable livestock industries.	No
	128	–		

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

5. Employees

(1) Basic policy on human resource strategy

(i) Human resource strategy

Please refer to "Section 2. Business Overview, 2. Disclosure of sustainability-related financial information, (3) Human Capital" for the human resource strategy of the Group.

(ii) Policies for determining the amount and content of compensation and other benefits for employees

a. Basic policy

The Company has established a compensation and evaluation system that promotes employee growth and active participation, aiming to realize our corporate philosophy of "Farm for Tomorrow, Table for Tomorrow" and sustainably enhance corporate value. We position salaries and compensation not merely as consideration for labor, but as an important management foundation to appropriately evaluate and reward each individual's role, expertise, and contribution to medium- to long-term corporate value.

b. Linking evaluation with compensation (grading system and evaluation process)

The Company has established a grading system (management tier, specialist tier, etc.) aligned with employees' roles and expertise, and sets compensation levels according to the expectations of each role.

In conducting evaluations, we comprehensively consider the achievement of goals (results), the degree of practice of "ORDism" (our corporate code of conduct), and the development of expertise and skills through their duties. Our system is designed to fairly evaluate skill improvement and results achieved through taking on higher-level roles, as well as the embodiment of the code of conduct. Through promotions based on these evaluations, this system ultimately reflects appropriate salary levels corresponding to each individual's role and contribution.

c. Respect for diversity and fair treatment (promoting the reduction of discrepancies)

Under the policy that "human resources" are the source of sustainable value creation, we are developing an environment where employees can maximize their capabilities, regardless of attributes such as age or gender. We proactively provide motivated employees with opportunities to challenge themselves in higher-level roles. By operating the appropriate evaluation and promotion processes mentioned above, we promote the reduction of the gender pay gap and ensure fair treatment for all employees.

d. Policy regarding non-regular employees

The Company also provides appropriate evaluation and treatment based on job content and skill improvement for non-regular employees (accounting for just under 40% of our total workforce), who play an important role primarily at our shipping hubs and other business locations. Regardless of the form of employment, we strive to operate our systems in a way that allows each individual to feel a sense of fulfillment in their work.

(2) Status of employees

(i) Consolidated companies

As of March 31, 2026

Segment	Employees (persons)	
B2C Subscription Business	845	(926)
B2B Subscription Business	2,623	(6,671)
Social Services Business	4,387	(24,624)
Other Businesses	341	(94)
Total	8,196	(32,315)

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).
3. The number of employees decreased by 3,622 compared to the end of the previous fiscal year, mainly due to the transfer of all shares of SHiDAX HOLDINGS CORPORATION, SHiDAX CORPORATION, DAISHINTO Inc., and five other subsidiaries, which had been classified under the Vehicle Operation and Other Businesses, effective October 1, 2025.

(ii) Reporting company

As of March 31, 2026

Employees (persons)	Average age (years)	Average years of service (years)	Average annual salary (thousand yen)	YoY change in average annual salary (%)
916 (955)	41.1	10.0	6,937	3.6

Segment	Employees (persons)	
B2C Subscription Business	794	(924)
B2B Subscription Business	35	(10)
Other Businesses	87	(21)
Total	916	(955)

Notes:

1. The number of employees indicates 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.

(iii) Labor unions

The SHiDAX Labor Union, which is affiliated with the UA ZENSEN (The Japanese Federation of Textile, Chemical, Commerce, Food and General Services Workers' Unions), is organized at the Company's subsidiary, SHiDAX Human & Food Services, Inc., and certain other consolidated subsidiaries. Labor-management relations have been stable.

(iv) Proportion of management positions held by female workers, rate of childcare leave taken among male workers and pay gap between male and female workers

a. Reporting company

Fiscal year ended March 31, 2026					Supplementary explanation
Proportion of management positions held by female workers (*1)	Rate of childcare leave taken among male workers (*2)	Pay gap between male and female workers (*1, 3)			
		All workers	Permanent full-time employees	Other than permanent full-time employees	
30.1%	100%	65.0%	67.8%	86.5%	—

*1 Calculated based on the provisions of the "Act on the Promotion of Women's Active Engagement in Professional Life" (Act No. 64 of 2015). Management positions are calculated targeting those equivalent to section managers, store managers, or higher.

*2 This represents a calculation of the childcare leave uptake rate set forth under Article 71-6, Item 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991), in accordance with the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

*3 For regular employees (short-time workers) and part-time workers, the average annual salary is calculated based on the equivalent full-time employee count converted from the prescribed daily working hours (8 hours).

The proportion of regular employees, management positions, and officers held by female workers at the Company is as follows.

	Employees (*1)	Officers
Reporting company	51.7%	30.8%

*1 Calculated for regular employees. Contract employees are not included.

b. Consolidated subsidiaries

Fiscal year ended March 31, 2026						Supplementary explanation
Company	Proportion of management positions held by female workers (*1)	Rate of childcare leave taken among male workers (*2)	Pay gap between male and female workers (*1,3)			
			All workers	Permanent full-time employees	Other than permanent full-time employee	
SHiDAX CONTRACT FOOD SERVICE CORPORATION	52.0%	0.0%	45.4%	74.7%	48.4%	—
SHiDAX FOOD SERVICE CORPORATION	76.4%	66.7%	68.0%	82.2%	66.1%	—
SHiDAX DAISHINTO HUMAN SERVICE Inc.	16.1%	30.0%	79.7%	72.8%	89.6%	—

*1 Calculated based on the provisions of the "Act on the Promotion of Women's Active Engagement in Professional Life" (Act No. 64 of 2015). Management positions are calculated targeting those equivalent to section managers, store managers, or higher.

*2 Figures are aggregated for the Company, SHiDAX Human & Food Services, Inc., and major consolidated subsidiaries as major group companies. Other group companies are omitted as they are not subject to the mandatory disclosure requirements under the provisions of the aforementioned applicable laws.

*3 For regular employees (short-time workers) and part-time workers, the average annual salary is calculated based on the equivalent full-time employee count converted from the prescribed daily working hours (8 hours).

Our Group respects the personality, human rights, and individuality of all working people, and upholds the basic philosophy of "prohibiting unfair discrimination based on attributes such as nationality, race, gender, or sexuality, and respecting diverse values." By bringing together diverse human resources to share their unique ideas, we expand the scope of our solutions and drive business growth, which we believe will ultimately lead to providing food services to even more people. Under this philosophy, we have established the Diversity, Equity & Inclusion Committee (present Group ESG Committee) to enhance communication and initiatives, thereby contributing to business growth. As our business scale expands, our Group has come to include members of 25 nationalities as of the end of March 2026, primarily centered around our shipping hubs.

Furthermore, we actively promote diversity and inclusion through a variety of initiatives. These include promoting the employment of persons with disabilities, sponsoring para-sports and involving our employees in the operation of its secretariat, and running retention support activities and networking events by our disabilities subcommittee. We also conduct sexual minority training programs primarily for HR personnel and support employee group activities led by ally members.

We are addressing and adapting to the needs of the times to foster an environment where individuals who grow and deliver results are evaluated equally, allowing them to gain opportunities for further success. Given that the ratio of female officers has already reached 30.8% at the Company, we will further reinforce our initiatives to provide equal opportunities to our employees and aim to achieve a target of 50.0% for the proportion of management positions held by female workers by 2030.

Regarding the rate of childcare leave taken by male employees, although the Company's track record has historically significantly exceeded the national average, the Company has been supporting the taking of leave to achieve a 100% uptake rate by introducing its own unique system in October 2022 that grants up to five days of paid leave when an employee's spouse gives birth. As a result of providing thorough individual explanations of the system to male employees whose spouses were expecting, the uptake rate reached 100% in the fiscal year ended March 31, 2026. The Company continues to aim for 100% in the fiscal year ending March 31, 2027.

Regarding the pay gap between male and female workers, while there remains a significant disparity with the ratio for all workers at 65.0%, it improved by 0.5% compared to the previous fiscal year. This gap primarily arises from the high concentration of temporary and part-time workers at our shipping centers, where female employees account for just under 40% of the total workforce. During the fiscal year under review, the pay gap for temporary and part-time workers improved by 2.3% compared to the previous fiscal year.

Details of the gap for regular employees among regular workers at the reporting company are as follows.

Employees	Year ended March 2026	Supplemental information
Senior management Senior specialists	89.2%	Grades M7-5 and S7-5
Management Specialists	87.1%	Grades M4-1 and S4-1
Other employees	92.0%	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).

When comparing the pay gap across three levels based on the Company's grading system, the ratio stands at 89.2% for senior management and senior specialists, 87.1% for management and specialists, and 92.0% for other employees. The ratio for other employees improved by 2.7% compared to the previous fiscal year. If an enhancement of skill levels is recognized, the Company creates opportunities for employees to proactively take on challenges for managerial positions, regardless of gender. At that time, the Company aims to correct the gap by reviewing salaries to align with the corresponding grading level. Focusing on the pay gap across each level, the Company aims for a target of 100% in each level for the fiscal year ending March 31, 2030.

The percentage of employees with disabilities at the reporting company is as follows (Year ended March 2026 results).

	Rate
Reporting company	2.9%

The employment rate for persons with disabilities at the reporting company stood at 2.9%, a decrease of 0.2 percentage points compared to the previous fiscal year. This also preemptively achieves the statutory rate of 2.7%, which the government is scheduled to raise from July 2026. Peer mentor activities voluntarily conducted as part of the initiatives of the Diversity, Equity & Inclusion Committee have been positively received, trending toward a reduction in employee turnover. The Company will continue to maintain and improve the employment rate moving forward.

The percentage of mid-career hires among total recruitment is as follows (Year ended March 2026 results).

	Employees *
Reporting company	90.8%

* 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 5. Accounting

1. Methods of preparing consolidated and non-consolidated 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 non-consolidated 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, 2025 through March 31, 2026 and its non-consolidated financial statements for the business year from April 1, 2025 through March 31, 2026.

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

(Unit: million yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	*2 19,155	*2 21,263
Notes receivable –trade	44	14
Accounts receivable –trade	25,938	23,678
Merchandise and finished goods	2,685	2,753
Work in process	229	239
Raw materials and supplies	1,838	1,859
Accounts receivable –other	1,361	1,674
Other	2,240	2,014
Allowance for doubtful accounts	(246)	(262)
Total current assets	53,246	53,235
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,046	3,050
Accumulated depreciation	(1,948)	(1,365)
Buildings and structures, net	2,097	1,685
Machinery, equipment and vehicles	8,192	5,714
Accumulated depreciation	(2,800)	(1,848)
Machinery, equipment and vehicles, net	5,391	3,865
Leased assets	22,065	22,035
Accumulated depreciation	(3,830)	(5,115)
Leased assets, net	18,234	16,920
Construction in progress	0	41
Other	2,720	2,281
Accumulated depreciation	(1,378)	(1,358)
Other, net	1,341	923
Total property, plant and equipment	27,066	23,437
Intangible assets		
Customer-related assets	24,476	13,006
Goodwill	14,837	7,730
Other	2,813	2,240
Total intangible assets	42,127	22,977
Investments and other assets		
Investment securities	*1.2 3,841	*1.2 3,680
Leasehold and guarantee deposits	*2 2,648	*2 2,163
Deferred tax assets	4,151	2,381
Other	*1 1,559	272
Allowance for doubtful accounts	(78)	(10)
Total investments and other assets	12,123	8,487
Total non-current assets	81,317	54,902
Total assets	134,564	108,137

(Unit: million yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable–trade	*2 11,671	*2 10,345
Short-term borrowings	*3 10,095	*3 14,155
Current portion of long-term borrowings	*2 1,884	1,663
Lease liabilities	1,294	1,295
Accounts payable –other	6,906	6,535
Accrued expenses	8,574	7,395
Income taxes payable	797	2,277
Contract liabilities	499	533
Provision for bonuses	1,606	1,182
Provision for point card certificates	109	122
Other	2,492	2,406
Total current liabilities	45,933	47,913
Non-current liabilities		
Long-term borrowings	*2,3 21,401	9,058
Lease liabilities	17,417	16,158
Asset retirement obligations	1,316	1,123
Deferred tax liabilities	8,682	4,608
Other	324	205
Total non-current liabilities	49,143	31,154
Total liabilities	95,076	79,067
Net assets		
Shareholders' equity		
Share capital	3,995	3,995
Capital surplus	8,053	6,456
Retained earnings	23,736	20,217
Treasury shares	(6,807)	(4,559)
Total shareholders' equity	28,978	26,110
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	214	140
Foreign currency translation adjustment	1,188	1,072
Total accumulated other comprehensive income	1,403	1,212
Share acquisition rights	75	37
Non-controlling interests	9,030	1,709
Total net assets	39,487	29,069
Total liabilities and net assets	134,564	108,137

(ii) Consolidated Statement of Income and Comprehensive Income

Consolidated Statement of Income

(Unit: million yen)

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026
Net sales	*1 256,009	*1 251,419
Cost of sales	180,798	177,505
Gross profit	75,210	73,913
Selling, general and administrative expenses	*2 68,345	*2 66,574
Operating profit	6,864	7,339
Non-operating income		
Interest income	23	37
Dividend income	19	4
Group regular dividend	204	185
Compensation income	21	26
Investment gain on equity method	498	–
Foreign exchange gain	–	13
Subsidy income	43	30
Gain on investments in investment partnerships	–	107
Other	119	107
Total non-operating income	930	512
Non-operating expenses		
Interest expenses	766	611
Foreign exchange losses	24	–
Investment loss on equity method	–	41
Loss on investments in investment partnerships	181	119
Other	260	239
Total non-operating expenses	1,233	1,011
Ordinary profit	6,561	6,840
Extraordinary income		
Gain on step acquisitions	439	–
Gain on sales of shares of subsidiaries and associates	–	2,292
Gain on liquidation of subsidiaries and associates	–	58
Total extraordinary income	439	2,351
Extraordinary losses		
Impairment losses	*3 221	*3 1,707
Loss on valuation of investment securities	42	48
Costs of special investigation	177	–
Total extraordinary losses	441	1,756
Profit before income taxes	6,559	7,435
Income taxes—current	2,253	3,592
Income taxes—deferred	841	(762)
Total income taxes	3,095	2,830
Profit	3,464	4,604
Profit (loss) attributable to non-controlling interests	(173)	77
Profit attributable to owners of parent	3,638	4,527

Consolidated Statement of Comprehensive Income

(Unit: million yen)

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026
Profit	3,464	4,604
Other comprehensive income		
Valuation difference on available-for-sale securities	(29)	(51)
Foreign currency translation adjustment	290	(145)
Share of other comprehensive income of entities accounted for using equity method	(46)	7
Total other comprehensive income	* 215	* (189)
Comprehensive income	3,680	4,414
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,854	4,336
Comprehensive income attributable to non-controlling interests	(174)	78

(iii) Consolidated Statement of Changes in Shareholders' Equity

Fiscal Year ended March 31, 2025

(Unit: 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 in retained earnings resulting from change of affiliates in scope of equity method			(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 in retained earnings resulting from change of affiliates in scope of equity method						(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

Fiscal Year ended March 31, 2026

(Unit: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	3,995	8,053	23,736	(6,807)	28,978
Changes during the period					
Cash dividends paid			(277)		(277)
Net income attributable to shareholders of the parent company			4,527		4,527
Acquisition of treasury shares				(0)	(0)
Cancellation of treasury shares		(2,247)		2,247	–
Transfer from retained earnings to capital surplus		2,114	(2,114)		–
Change in ownership interest of parent due to transactions with non-controlling interests		(1,526)	(5,654)		(7,180)
Changes in equity interests due to capital increase of consolidated subsidiaries		63			63
Net changes in items other than shareholders' equity					
Total changes during the period	–	(1,596)	(3,519)	2,247	(2,867)
Balance at the end of current period	3,995	6,456	20,217	(4,559)	26,110

	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	214	1,188	1,403	75	9,030	39,487
Changes during the period						
Cash dividends paid						(277)
Net income attributable to shareholders of the parent company						4,527
Acquisition of treasury shares						(0)
Cancellation of treasury shares						–
Transfer from retained earnings to capital surplus						–
Change in ownership interest of parent due to transactions with non-controlling interests						(7,180)
Changes in equity interests due to capital increase of consolidated subsidiaries						63
Net changes in items other than shareholders' equity	(74)	(116)	(190)	(37)	(7,320)	(7,549)
Total changes during the period	(74)	(116)	(190)	(37)	(7,320)	(10,417)
Balance at the end of current period	140	1,072	1,212	37	1,709	29,069

(iv) Consolidated Statement of Cash Flows

(Unit: million yen)

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026
Net cash provided by (used in) operating activities		
Profit before income taxes	6,559	7,435
Depreciation	4,596	4,387
Amortization of goodwill	1,339	1,187
Loss (gain) on sale of shares of subsidiaries and associates	–	(2,292)
Gain on liquidation of shares of subsidiaries and associates	–	(58)
Impairment losses	221	1,707
Loss (gain) on valuation of investment securities	42	48
Increase (decrease) in allowance for doubtful accounts	(34)	2
Increase (decrease) in provision for bonuses	49	30
Interest and dividend income	(43)	(41)
Dividends income of group term insurance	(204)	(185)
Compensation income	(21)	(26)
Interest expenses	766	611
Investment loss (profit) on equity method	(498)	41
Loss (gain) on investments in investment partnerships	181	119
Decrease (increase) in trade receivables	(1,027)	(1,413)
Decrease (increase) in accounts receivable–other	193	(127)
Decrease (increase) in inventories	(857)	(115)
Increase (decrease) in trade payables	413	(1,221)
Loss (gain) on sale of investment securities	–	(107)
Subsidy income	(43)	(30)
Gain on step acquisitions	(439)	–
Increase (decrease) in accounts payable–other	(1,100)	363
Increase (decrease) in contract liabilities	(5)	294
Increase (decrease) in accrued expenses	(416)	709
Other, net	(1,202)	257
Subtotal	8,469	11,576
Interest and dividends received	98	42
Interest paid	(766)	(611)
Income taxes paid	(4,574)	(1,965)
Subsidies received	43	30
Proceeds from compensation for damage	21	26
Proceeds from group regular dividend	204	185
Net cash provided by (used in) operating activities	3,496	9,284
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(2,552)	(1,104)
Purchase of intangible assets	(852)	(771)
Purchase of investment securities	(635)	(296)
Proceeds from sale of investment securities	–	193
Purchase of shares of subsidiaries and associates	(45)	–
Proceeds from sale of shares of subsidiaries and associates	–	3
Purchase of shares of subsidiaries resulting in change in scope of consolidation	*2 (8,261)	–
Payments of leasehold and guarantee deposits	(163)	(142)
Proceeds from refund of leasehold and guarantee deposits	94	86
Payments for asset retirement obligations	(33)	–
Proceeds from cancellation of insurance funds	–	428
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	–	*33,473
Other, net	0	168
Net cash provided by (used in) investing activities	(12,451)	2,037

(Unit: million yen)

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(4,988)	4,360
Proceeds from long-term borrowings	8,228	11,020
Repayments of long-term borrowings	(2,131)	(20,876)
Proceeds from issuance of share acquisition rights	37	–
Dividends paid	–	(277)
Proceeds from share issuance to non-controlling shareholders	1,367	18
Refund from non-controlling interest	(503)	–
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(5)	(1,498)
Purchase of treasury shares	(2,311)	(0)
Purchase of treasury shares of subsidiaries	–	(730)
Repayments of finance lease liabilities	(1,243)	(1,292)
Other, net	(0)	91
Net cash provided by (used in) financing activities	(1,551)	(9,186)
Effect of exchange rate changes on cash and cash equivalents	21	0
Net increase (decrease) in cash and cash equivalents	(10,485)	2,136
Cash and cash equivalents at beginning of period	29,440	18,955
Cash and cash equivalents at end of period	*1 18,955	*1 21,091

Notes

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

1. Notes on scope of consolidation

(1) Names of consolidated subsidiaries

Number of consolidated subsidiaries: 29 companies

The names of major consolidated subsidiaries are omitted because they are stated in "Section 1. Company Overview, 4. Information on affiliates." nonpi, Inc., a consolidated subsidiary of the Company, changed its corporate name to BONDISH, Inc. effective January 1, 2026.

(Changes in significant subsidiaries during the period)

During the current fiscal year, ORD Food Services Holdings, Inc. and SHiDAX Human & Food Services, Inc. have been included in the scope of consolidation following their establishment through an incorporation-type company split. In addition, SHiDAX HOLDINGS CORPORATION, SHiDAX CORPORATION, DAISHINTO Inc., and five other companies have been excluded from the scope of consolidation due to the transfer of all their shares.

(2) Names of non-consolidated subsidiaries

Number of non-consolidated subsidiaries: 6 companies

Names of non-consolidated 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 non-consolidated subsidiaries are excluded from the scope of consolidation because they are small in scale, and their aggregate total assets, net sales, net income and retained earnings (amount equivalent to equity) have no material impact 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: 3 companies

Names of equity method affiliates

Nihon Agri, Inc.
WELCOME Co., Ltd.
Niigata Professional Baseball Club, Inc.

(2) Names of important companies among non-consolidated 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.
SHiDAX Hospitality Management Corporation
Chofu FM Co., Ltd.
e-Kaigo Network Cooperative Association
Ootakanomori PFI Co., Ltd.
Horigane School Meal Service Co., Ltd.

(Reason for not applying the equity method)

The companies not accounted for by the equity method are excluded from the application of the equity method because they are all small in scale, and their net income or loss after elimination of transactions with consolidated companies and their retained earnings (amount equivalent to equity) are immaterial as a whole and have an insignificant impact on the consolidated financial statements.

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

For the companies accounted for by the equity method whose fiscal year-end dates differ from the consolidated fiscal year-end date, financial statements based on the provisional settlement of accounts as of the consolidated fiscal year-end date are used for the preparation of the consolidated financial statements.

3. Notes on the business years of consolidated subsidiaries

Among the consolidated subsidiaries, the fiscal year-end date of Oisix Shanghai Co., Ltd., Oisix Inc., Three Limes, Inc., YOKO Street, INC., Future Food Fund No. 2 investment limited partnership, HiOLI Inc., BONDISH Inc., and AGRIGATE falls on December 31. In preparing the consolidated financial statements, for Oisix Shanghai Co., Ltd., Oisix Inc., Three Limes, Inc., YOKO Street, INC., HiOLI Inc., and BONDISH, Inc., and AGRIGATE, we used the non-consolidated 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, financial statements based on the provisional settlement as of the consolidated fiscal year-end date are used.

Effective from the current fiscal year, the fiscal year-end date has been changed from November 30 to December 31 for AGRIGATE, and from February 28 to December 31 for BONDISH, Inc. Due to these changes in the fiscal year-end dates, the 10-month period from March 1, 2025 to December 31, 2025 has been consolidated in the current fiscal year.

The fiscal year-end dates of the other consolidated subsidiaries coincide with the consolidated fiscal year-end date.

4. Notes on accounting policies

(1) Valuation standards and methods for important assets

(i) Securities

Available-for-sale securities

Those other than stocks with no fair market value

Stated at fair value (with any unrealized gains or losses reported as a separate component of net assets, and cost of securities sold determined by the moving-average method).

Stocks with no fair market value

Stated at cost determined by the moving-average method.

(ii) Inventories

Stated at cost determined by the moving-average method, the first-in, first-out method, and the gross-average method (with balance sheet values determined by writing down the book value due to a decline in profitability).

(2) Depreciation and amortization method for important depreciable assets

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

Depreciation is calculated using the straight-line method.

The principal useful lives are as follows:

Buildings and structures: 2–29 years

Machinery, equipment, and vehicles: 1–12 years

(ii) Intangible assets (excluding leased assets)

Amortization is calculated using the straight-line method.

Internal-use software is amortized over its estimated useful life within the Company (5 years). Customer-related intangible assets are amortized over the period of expected economic benefit (5 to 27 years).

- (iii) Leased assets
 - Leased assets under finance lease transactions that transfer ownership
 - Depreciated using the same method applied to self-owned property, plant, and equipment.
 - Leased assets under finance lease transactions that do not transfer ownership
 - Depreciated using the straight-line method over the lease period as the useful life with a residual value of zero.
- (3) Accounting standards for significant allowances and provisions
 - (i) Allowance for doubtful accounts
 - To prepare for losses on doubtful accounts, the allowance for general receivables is provided based on the historical credit loss ratio. For specific receivables, such as doubtful accounts and bankrupt or reorganized receivables, the uncollectible amounts are provided based on individual evaluations of their recoverability.
 - (ii) Provision for loyalty points
 - To prepare for the future use of points granted to customers as action points under the loyalty point program for sales promotion purposes, the estimated amount to be used in the future is provided at the end of the current fiscal year.
 - (iii) Provision for bonuses
 - Certain consolidated subsidiaries record the provision for bonuses to employees based on the estimated amount of payment.
- (4) Accounting standards for significant revenues and expenses
 - The Group recognizes revenue at the time when control of promised goods or services is transferred to a customer, or over a certain period, in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.
 - The details of main performance obligations and the normal timing of recognition of revenues in primary businesses are as described in “(Revenue recognition).”
- (5) Standards for conversion of significant foreign-currency claims and obligations to yen
 - Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the spot exchange rate on the consolidated fiscal year-end date, and foreign exchange translation differences are recognized as profit or loss. Assets and liabilities of foreign subsidiaries are translated into Japanese yen at the spot exchange rate on the consolidated fiscal year-end date, while revenues and expenses are translated into Japanese yen at the average exchange rate during the period. The resulting translation differences are recorded in foreign currency translation adjustments under net assets.
- (6) Method and period for amortization of goodwill
 - Goodwill is amortized by the straight-line method over a period of 4–20 years.
- (7) Scope of funds in the consolidated statement of cash flows
 - Funds consist of cash on hand, demand deposits, and short-term investments with maturities of three months or less from the acquisition date that are readily convertible to cash and are subject to insignificant risk of fluctuations in value.
- (8) Other significant matters for the preparation of consolidated financial statements
 - Method for deferred assets
 - Stock issuance costs
 - Expensed in full at the time of payment.
 - Application of the group tax sharing system
 - Certain consolidated subsidiaries applied the group tax sharing system during the current fiscal year. However, due to the organizational restructuring, they were excluded from the scope of consolidation effective October 1, 2025. Consequently, there are no consolidated companies applying the group tax sharing system as of the end of the current fiscal year.

(Significant accounting estimates)

Accounts that involve significant accounting estimates for the consolidated financial statements are as follows.

1. Valuation of goodwill and customer-related assets associated with SHiDAX Human & Food Services, Inc.

(1) Amount recorded in the consolidated financial statements for the current fiscal year

(million yen)

	Previous consolidated fiscal year	Current consolidated fiscal year
Goodwill	12,539	7,685
Customer-related assets	24,476	13,006

Note: For the previous fiscal year, these figures represent goodwill and customer-related assets associated with SHiDAX CORPORATION prior to the reorganization of the SHiDAX Group's subsidiaries and include the figures for the Vehicle Operation Service business.

No impairment loss was recognized for the goodwill and customer-related assets during the current fiscal year.

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

(i) Method of calculating the amount recorded in the consolidated financial statements for the current fiscal year

The goodwill and customer-related assets represent the portion of the previously recorded goodwill and customer-related assets associated with SHiDAX CORPORATION that relates to the businesses over which the Company continues to exercise control (the Food Services Business and Social Services Business). At the time of acquisition of the said businesses, the acquisition cost was allocated based on the fair value of the accepted assets and assumed liabilities that were identifiable as of the deemed acquisition date, and the difference between the acquisition cost and the allocated amount of the acquisition cost was recorded as goodwill.

The multi-period excess earnings method under the income approach is used as the valuation model for customer-related assets.

(ii) Key assumptions used in calculating the amount recorded in the consolidated financial statements for the current fiscal year

Customer-related assets are calculated based on business plans and other factors, and goodwill is calculated as the residual difference. The key assumptions used in these calculations are the revenue growth rate and rising price inflation.

Key assumptions	Details
Sales growth rate	In addition to the growth rate based on historical results, reflects and projects a trajectory toward achieving the mid-term revenue targets.
Inflation	Estimates incorporate expected cost increases based on the assumption that the costs of raw materials, chiefly food ingredient and consumables, will remain high.

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

In the event of changes in the economic conditions surrounding SHiDAX Human & Food Services, Inc. or in the company's operating results regarding the valuation of goodwill and customer-related assets, or their useful lives or amortization periods, it may have a material impact on the consolidated financial statements for the following fiscal year.

(Unapplied accounting standards)

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Implementation 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 bring Japanese GAAP into international alignment, the Accounting Standards Board of Japan (ASBJ) conducted deliberations based on international accounting standards toward developing an accounting standard for leases that recognizes assets and liabilities for all leases of lessees. As a basic policy, the ASBJ issued the lease accounting standard, etc., aiming to achieve a standard that is simple and highly convenient, and that basically requires no modifications even when the provisions of IFRS 16 are applied to separate financial statements, by incorporating only the core provisions of IFRS 16 rather than all of its requirements, while using the single accounting model of IFRS 16 as a baseline.

As for the accounting treatment of lessees, a single accounting model will be applied to the method of allocating lessee lease expenses, similar to IFRS 16, under which depreciation for right-of-use assets and interest equivalents for lease liabilities are recorded for all leases, regardless of whether the lease is a finance lease or an operating lease.

(2) Scheduled date of application

The standard is scheduled to be applied from the beginning 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)

(Note to consolidated statement of cash flows)

"Dividends income of group term insurance," which was included in "Other, net" under cash flows from operating activities in the previous fiscal year, is presented separately in the current fiscal year due to its increased materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, JPY (997) million presented in "Other" under cash flows from operating activities in the consolidated statement of cash flows for the previous fiscal year has been reclassified into "Other" of JPY (1,202) million and "Dividends income of group term insurance" of JPY 204 million.

(Notes to Consolidated Balance Sheet)

*1 The following accounts concern non-consolidated subsidiaries and affiliates

	As of March 31, 2025	As of March 31, 2026
Investment securities (stock)	1,017 million yen	932 million yen
Other	0	—

*2 Assets pledged as collateral and secured liabilities

Assets pledged as collateral as follows.

	As of March 31, 2025	As of March 31, 2026
Ordinary deposits	1,015 million yen	— million yen
Time deposits	25	10
Guarantee money	36	36
Total	1,076	46

Note: In addition to the above, shares of subsidiaries and associates that were eliminated in consolidation (JPY 41,732 million in the previous fiscal year) were pledged as collateral. In addition, JPY 5 million of shares of subsidiaries and associates were pledged for the obligations of Otakanomori PFI Co., Ltd., and JPY 16 million of shares of subsidiaries and

associates were pledged for the obligations of Horigane School Meal Service Co., Ltd.

Secured liabilities are as follows.

	As of March 31, 2025	As of March 31, 2026
Accounts payable-trade	21 million yen	19 million yen
Long-term borrowings	22,575	–
Total	22,596	19

*3 Commitment line agreements

The Group has entered into overdraft agreements with its transacting financial institutions to ensure efficient financing. In addition, the Group had entered into commitment line agreements and syndicated loan agreements regarding the borrowings of SHiDAX HOLDINGS CORPORATION; however, these agreements were terminated due to the company being excluded from the scope of consolidation effective October 1, 2025, as a result of organizational restructuring. The unutilized balance of borrowings under these agreements as of the end of the current fiscal year is as follows.

	As of March 31, 2025	As of March 31, 2026
Total amount of overdraft agreements	24,095 million yen	27,250 million yen
Balance of overdrafts executed	10,095	14,130
Total amount of commitment lines of credit (Note)	4,500	–
Balance of commitment lines executed	–	–
Total amount of syndicated loans (Note)	22,575	–
Balance of syndicated loans executed	22,575	–
Unutilized balance of borrowings	18,500	13,120

Note: The commitment line agreements and syndicated loan agreements were subject to certain financial covenants.

(Notes to Consolidated Income Statement)

*1 With respect to "Net sales," revenue arising from contracts with customers and other revenues are not disclosed separately. For information on disaggregated revenue arising from contracts with customers, please refer to "Notes (Segment information)." In addition, "Net sales" in the said Notes include revenue based on the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13) and other revenues, in addition to revenue arising from contracts with customers

*2 The major items and amounts of selling, general and administrative expenses are as follows.

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Packing and shipping expenses	13,223 million yen	12,704 million yen
Salaries and allowances	12,362	11,775
Sales promotion expenses	8,648	9,034
Outsourcing expenses	5,521	5,342
Expenses associated with retirement benefits	163	166
Provision for bonuses	661	659
Provision for allowance for doubtful accounts	199	217
Provision for loyalty points	80	72

*3 Impairment loss

Previous consolidated fiscal year ended March 31, 2025

Business type	Location	Use	Type	Amount (million yen)
B2B 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

The Group groups its assets primarily based on business units as the smallest cash-generating units.

As a result, for assets whose recoverable amounts declined below their carrying amounts due to decreased profitability, the carrying amounts were reduced to the recoverable amounts, and the amount of the reduction was recorded as an impairment loss (JPY 221 million) under extraordinary losses. The recoverable amounts were measured by their value in use. Since the evaluated amount based on future cash flows was negative, the recoverable amount was determined to be zero.

Consolidated fiscal year ended March 31, 2026

Business type	Location	Use	Type	Amount (million yen)
B2C Subscription Business	United States	–	Goodwill	278
			Trademark	110
B2B Subscription Business	Kanto	Stores	Other	1
	Kanto	Other	Other	49
	Kanto	–	Goodwill	379
	Chubu	Stores	Other	0
	Kinki	Stores	Other	0
	Shikoku	Stores	Other	7
	Shikoku	Stores, etc.	Other	0
Social Services	Kanto	Stores, etc.	Other	0
	Kanto	Other	Other	2
	Chubu	Stores, etc.	Other	7
	Kinki	Stores, etc.	Other	1
	Shikoku	Stores, etc.	Other	1
Vehicle Operation Services Business	Kanto	Other	Other	6
Other Businesses	Kanto	Business assets of overseas businesses (Hong Kong)	Other	9
	Kanto	Stores, etc.	Buildings and structures	131
	Kanto	Stores, etc.	Machinery and equipment	4
	Kanto	Stores, etc.	Other	22
	Kanto	–	Goodwill	692
Total				1,707

The Group groups its assets primarily based on business units as the smallest cash-generating units that generate cash flows.

As a result, for assets whose recoverable amounts declined below their carrying amounts due to decreased profitability, the carrying amounts were reduced to the recoverable amounts, and the amount of the reduction was recorded as an impairment loss (JPY 1,707 million) under extraordinary losses. The recoverable amounts were measured by their value in use. Since the evaluated amount based on future cash flows was negative, the recoverable amount was determined to be zero.

(Notes to Consolidated Statement of Comprehensive Income)

* Reclassification adjustments and tax effects relating to other comprehensive income

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026
Valuation difference on available-for-sale securities:		
Amount arising during period	(82) million yen	55 million yen
Reclassification adjustment amount	42	(133)
Before income tax and tax effect adjustments	(39)	(77)
Income tax and tax effect amount	10	26
Valuation difference on available-for-sale securities	(29)	(51)
Foreign currency translation adjustments:		
Amount arising during period	290	(86)
Reclassification adjustment amount	–	(58)
Foreign currency translation adjustments	290	(145)
Share of other comprehensive income of entities accounted for by the equity method:		
Amount arising during period	(21)	7
Reclassification adjustment amount	(24)	–
Share of other comprehensive income of entities accounted for by the equity method	(46)	7
Total other comprehensive income	215	(189)

(Consolidated Statement of Changes in Shareholders' Equity)

Previous consolidated fiscal year ended 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 the number of treasury shares of common stock was due to an increase of 1,825,000 shares from the acquisition of treasury shares by resolution of the Board of Directors and an increase of 44 shares from the purchase of shares less than one 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 fiscal year ended March 31, 2026

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	–	1,088,092	36,940,000
Total	38,028,092	–	1,088,092	36,940,000
Treasury stock				
Common stock (Note)	3,295,174	74	1,088,092	2,207,156
Total	3,295,174	74	1,088,092	2,207,156

Note: The increase of 74 shares in the number of treasury shares of common stock was due to the purchase of shares less than one unit during the period. In addition, the decrease of 1,088,092 shares in the number of issued shares of common stock and treasury shares was due to the cancellation of treasury shares during the period.

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	–	–	–	–	–	37
Total		–	–	–	–	–	37

3. Dividends

(1) Dividend payments

Resolution	Category of stock	Total amount of dividends (million yen)	Dividends per share (yen)	Record date	Effective date
October 30, 2025 Board of Directors	Common stock	277	8.00	September 30, 2025	December 9, 2025

(2) Dividends with a record date in the current fiscal year and an effective date in the following fiscal year

Resolution	Category of stock	Source of dividends	Total amount of dividends (million yen)	Dividends per share (yen)	Record date	Effective date
May 14, 2026 Board of Directors	Common stock	Retained earnings	416	12.00	March 31, 2026	May 14, 2026

(Consolidated Statement of Cash Flows)

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

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026
Cash and deposits	19,155 million yen	21,263 million yen
Time deposits with deposit terms of more than three months	(200)	(172)
Cash and cash equivalents	18,955	21,091

*2 Major breakdown of assets and liabilities of companies that newly became consolidated subsidiaries through acquisition of shares
Previous consolidated fiscal year ended March 31, 2025

The breakdown of assets and liabilities at the inception of consolidation resulting from the new consolidation of HiOLI Inc. through the acquisition of its shares, and the relationship between the acquisition cost of HiOLI Inc. and the net expenditure for the acquisition of HiOLI Inc. are as follows:

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

Current consolidated fiscal year ended March 31, 2026

Not applicable

*3 Major breakdown of assets and liabilities of companies that ceased to be consolidated subsidiaries through sale of shares
Previous consolidated fiscal year ended March 31, 2025

Not applicable

Current consolidated fiscal year ended March 31, 2026

The breakdown of assets and liabilities at the time of sale resulting from SHiDAX HOLDINGS CORPORATION ceasing to be a consolidated subsidiary through the sale of its shares, and the relationship between the sale price of SHiDAX HOLDINGS CORPORATION shares and the net proceeds from the sale are as follows:

Current assets	11,973 million yen
Non-current assets	5,939
Goodwill	4,516
Customer-related assets	10,496
Current liabilities	(6,535)
Non-current liabilities	(5,096)
Valuation difference on available-for-sale securities	(2,911)
Non-controlling interests	(54)
Investment balance after sale of shares	(9,723)
Gain on sales of shares of subsidiaries and associates	2,292
Sale price of shares	10,895
Cash and cash equivalents	(7,422)
Net: Expenditures for acquisition	3,473

4 Details of significant non-cash transactions

- (1) The amounts of assets and liabilities related to finance lease transactions are as follows.

Previous consolidated fiscal year ended March 31, 2025

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

Consolidated fiscal year ended March 31, 2026

The amounts of assets and liabilities newly recorded related to finance lease transactions were 65 million yen each.

- (2) The amounts of assets and liabilities related to finance lease transactions are as follows:

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026
Amount recorded of significant asset retirement obligations	301 million yen	– million yen

(Lease transactions)

1. Finance lease transactions

Finance lease transactions that do not transfer ownership

- (i) Details of leased assets

Leased assets primarily consist of buildings at the ORD Ebina Station, buildings at the ORD Atsugi Cold Storage Station, servers used for data creation (tools, furniture, and fixtures), and vehicles.

- (ii) Depreciation methods for leased assets

The method of depreciation is as described in "4. Matters related to accounting policies, (2) Method of depreciation of material depreciable assets" under "Significant Basis for Preparation of Consolidated Financial Statements."

2. Operating lease transactions

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

(Unit: million yen)

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026
One year or less	1,509	795
More than one year	4,255	2,804
Total	5,764	3,600

(Financial instruments)

1. Matters for 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

Notes and accounts receivable - trade, and accounts receivable - other, which are operating receivables, are exposed to customer credit risk.

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 of issuers and market price fluctuation risks.

Notes and accounts payable - trade, and accounts payable - other, which are operating payables, mostly have payment due dates within one year and are exposed to liquidity risk.

Borrowings and lease obligations are intended for fund raising for working capital or capital expenditures, and are exposed to liquidity risk.

(3) Risk management systems for financial instruments

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

In accordance with the credit management rules and detailed credit management regulations, the Company establishes credit criteria and mitigates risk by managing due dates and outstanding balances for each counterparty. Consolidated subsidiaries also perform similar management in accordance with the Company's credit management rules.

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

The Group periodically monitors the financial condition and other factors of issuers (counterparty companies) for shares, and periodically checks the market value for bonds, continually reviewing its holdings. The Group has a policy of not utilizing derivative transactions.

(iii) Management of liquidity risks associated with fund raising (risk of inability to make payments by deadlines)

The Group manages liquidity risk by confirming cash inflows and outflows based on receivables and payables, and by maintaining liquidity on hand.

(4) Supplementary explanation on matters concerning the fair value of financial instruments

The fair value of financial instruments includes values based on market prices, as well as reasonably calculated values when market prices are not available. Since variable factors are incorporated into the calculation of such values, these values may vary if different assumptions or other conditions are adopted.

2. Matters concerning the fair value of financial instruments

The consolidated balance sheet amounts, fair values, and the differences between them are as follows.

Notes on "Cash and deposits," "Accounts receivable - trade," "Notes receivable - trade," "Accounts receivable - other," "Accounts payable - trade," "Accounts payable - other," and "Short-term borrowings" are omitted because they are settled in a short period of time and their fair values approximate their book values.

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

	Amount recorded to the consolidated balance sheet (million yen)	Current fair 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

Current consolidated fiscal year (as of March 31, 2026)

	Amount recorded to the consolidated balance sheet (million yen)	Current fair value (million yen)	Difference (million yen)
(1) Investment securities			
Available-for-sale securities	769	769	–
Total assets	769	769	–
(2) Long-term borrowings	10,722	10,418	(303)
(3) Lease obligations	17,453	16,006	(1,446)
Total liabilities	28,175	26,424	(1,750)

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	Current consolidated fiscal year (million yen)
Unlisted shares	1,977
Shares of subsidiaries and associates	932

- Expected redemption amounts of monetary claims and securities with maturities after the consolidated balance sheet date
Previous 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	–	–	–

Current consolidated fiscal year (as of March 31, 2026)

	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	21,263	–	–	–
Notes receivable	14	–	–	–
Accounts receivable–trade	23,678	–	–	–
Accounts receivable–other	1,674	–	–	–
Total	46,631	–	–	–

- Expected repayment amounts of long-term borrowings and lease obligations after the consolidated balance sheet date
Previous 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 borrowings	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

Current consolidated fiscal year (as of March 31, 2026)

	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 borrowings	1,663	1,916	1,602	1,594	1,592	2,352
Lease obligations	1,295	1,286	1,294	1,302	1,306	10,968
Total	2,958	3,202	2,897	2,897	2,899	13,320

3. Matters concerning the breakdown of the fair value of financial instruments by level

The fair value of financial instruments is classified into the following three levels based on the observability and significance of the inputs used to measure fair value:

Level 1: Fair value measured using quoted prices in active markets for identical assets or liabilities that are subject to measurement among observable inputs.

Level 2: Fair value measured using observable inputs other than Level 1 inputs among inputs used to measure fair value.

Level 3: Fair value measured using unobservable inputs

When multiple inputs that have a significant impact on the measurement of fair value are used, the fair value is classified into the level with the lowest priority in the fair value measurement among the levels to which those inputs belong.

(1) Financial assets and financial liabilities measured at fair value on the consolidated balance sheet

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

Category	Fair 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

Current consolidated fiscal year (as of March 31, 2026)

Category	Fair value (million yen)			
	Level 1	Level 2	Level 3	Total
(1) Investment securities				
Available-for-sale securities				
Stocks	564	–	–	564
Other	–	–	204	204
Total	564	–	204	769

(2) Financial assets and financial liabilities not measured at fair value on the consolidated balance sheet

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

Category	Fair value (million yen)			
	Level 1	Level 2	Level 3	Total
(1) Long-term loans payable	–	22,483	–	22,483
(2) Lease obligations	–	17,057	–	17,057
Total liabilities	–	39,540	–	39,540

Current consolidated fiscal year (as of March 31, 2026)

Category	Current market value (million yen)			
	Level 1	Level 2	Level 3	Total
(1) Long-term loans payable	–	10,418	–	10,418
(2) Lease obligations	–	16,006	–	16,006
Total liabilities	–	26,424	–	26,424

Note: Description of evaluation methods and inputs used to measure fair value

Investment securities

Shares are listed shares and are measured using quoted prices. Since listed shares are traded in active markets, their fair values are classified into Level 1 fair value.

Others consist of share acquisition rights of unlisted shares. Those with low monetary significance are measured at book value as their fair value. In addition, those for which the investment timing is close to the end of the consolidated fiscal year and their fair values are considered to approximate their book values are measured at book value as their fair value. These are classified into Level 3 fair value.

Long-term borrowings and lease obligations

The fair values of these items are calculated by the discounted present value method based on the estimated future cash flows of principal and interest and an interest rate that takes into account the remaining period of the obligations and credit risk, and are classified into Level 2 fair value. The balances of these items include the current portion due within one year.

(Securities)

1. Available-for-sale securities

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

	Type	Amount on the consolidated balance sheet (million yen)	Acquisition cost (million yen)	Difference (million yen)
Securities for which the consolidated balance sheet amount exceeds their acquisition cost	(1) Stocks	673	288	384
	(2) Bonds			
	(i) Treasuries, municipals, etc.	—	—	—
	(ii) Corporate bonds	—	—	—
	(iii) Other	—	—	—
	(3) Other	—	—	—
	Subtotal	673	288	384
Securities for which the consolidated balance sheet amount does not exceed their acquisition cost	(1) Stocks	1	1	(0)
	(2) Bonds			
	(i) Treasuries, municipals, etc.	—	—	—
	(ii) Corporate bonds	—	—	—
	(iii) Other	—	—	—
	(3) Other	348	348	—
	Subtotal	350	350	(0)
Total		1,023	639	384

Current consolidated fiscal year (as of March 31, 2026)

	Type	Amount on the consolidated balance sheet (million yen)	Acquisition cost (million yen)	Difference (million yen)
Securities for which the consolidated balance sheet amount exceeds their acquisition cost	(1) Stocks	563	275	288
	(2) Bonds			
	(i) Treasuries, municipals, etc.	—	—	—
	(ii) Corporate bonds	—	—	—
	(iii) Other	—	—	—
	(3) Other	—	—	—
	Subtotal	563	275	288
Securities for which the consolidated balance sheet amount does not exceed their acquisition cost	(1) Stocks	1	1	(0)
	(2) Bonds			
	(i) Treasuries, municipals, etc.	—	—	—
	(ii) Corporate bonds	—	—	—
	(iii) Other	—	—	—
	(3) Other	204	204	—
	Subtotal	206	206	(0)
Total		769	481	287

2. Available-for-sale securities sold

Previous consolidated fiscal year ended March 31, 2025

Not applicable

Current consolidated fiscal year ended March 31, 2026

Category	Sale price (million yen)	Total gains on sale (million yen)	Total loss on sale (million yen)
Stocks	193	107	0

3. Securities for which impairment losses were recognized

For the previous consolidated fiscal year (ended March 31, 2025), the Company recognized impairment losses of 226 million yen on investment securities (226 million yen for shares of other securities).

For the current consolidated fiscal year (ended March 31, 2026), the Company recognized impairment losses of 164 million yen on investment securities (48 million yen for shares of other investment securities and 115 million yen for share acquisition rights).

For other shares and the like without market prices, impairment losses are recognized when the substantive value decreases significantly due to a deterioration in the financial condition of the issuing company.

(Retirement benefits)

1. Overview of retirement benefit plans adopted

The Company and certain consolidated subsidiaries adopt defined contribution pension plans.

2. Defined contribution plan

The required contribution amounts to the defined contribution plans by the Company and its consolidated subsidiaries were 390 million yen for the previous consolidated fiscal year (from April 1, 2024 to March 31, 2025) and 361 million yen for the current consolidated fiscal year (from April 1, 2025 to March 31, 2026).

(Stock options)

1. Reporting company

Not applicable

2. Consolidated subsidiaries

Notes on stock options issued by certain subsidiaries are omitted due to their low significance.

(Tax effect accounting)

1. Significant components of deferred tax assets and deferred tax liabilities

	Previous consolidated fiscal year (as of March 31, 2025)	Current consolidated fiscal year (as of March 31, 2026)
Deferred tax assets		
Provision for bonuses	555 million yen	418 million yen
Provision for loyalty points	33	38
Contract liabilities	51	54
Allowance for doubtful accounts	121	87
Income taxes payable	32	100
Impairment loss	563	117
Excess depreciation	142	54
Filing adjustments for lease transactions	123	128
Asset retirement obligations	423	354
Losses carried forward for tax purposes (Note 2)	8,603	2,972
Other	657	928
Subtotal of deferred tax assets	11,308	5,255
Valuation allowance on losses carried forward for tax purposes (Note 2)	(5,245)	(1,843)
Valuation allowance on total of future temporary differences in deductions	(1,400)	(736)
Subtotal of valuation allowances (Note 1)	(6,646)	(2,580)
Total deferred tax assets	4,662	2,674
Deferred tax liabilities		
Intangible assets	(8,735)	(4,608)
Retirement costs on asset retirement obligations	(255)	(201)
Other	(202)	(91)
Total deferred tax liabilities	(9,193)	(4,901)
Net deferred tax assets	(4,531)	(2,226)

Note 1: Valuation allowances decreased by 4,066 million yen. This decrease was mainly due to a 3,487 million yen decrease in valuation allowance for net operating loss carryforwards at former consolidated subsidiaries SHiDAX HOLDINGS CORPORATION, SHiDAX CORPORATION, and four other companies, which resulted from their exclusion from the scope of consolidation.

Note 2: Breakdown of tax loss carryforwards and deferred tax assets by expiration date
Previous consolidated fiscal year (as of March 31, 2025)

	(Unit: 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 Tax loss carryforwards are calculated by multiplying the amount by the statutory effective tax rate.

*2 Of the 8,603 million yen in tax loss carryforwards (calculated by multiplying the amount by the statutory effective tax rate), deferred tax assets of 3,357 million yen were recognized. These deferred tax assets were recognized mainly for a portion of the balance of tax loss carryforwards at SHiDAX CORPORATION and its consolidated group, and ThreeLimes, Inc., which are consolidated subsidiaries. Valuation allowances were not recognized for the portions of these tax loss carryforwards that were determined to be recoverable based on future taxable income projections and other factors of SHiDAX CORPORATION and its consolidated group, and Three Limes, Inc.

Current consolidated fiscal year (as of March 31, 2026)

(Unit: 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)	57	95	173	125	384	2,136	2,972
Valuation allowance	(55)	(95)	(172)	(124)	(343)	(1,051)	(1,843)
Deferred tax assets	2	–	0	0	41	1,084	1,128

*1 Tax loss carryforwards are calculated by multiplying the amount by the statutory effective tax rate.

*2 Of the 2,972 million yen in tax loss carryforwards (calculated by multiplying the amount by the statutory effective tax rate), deferred tax assets of 1,128 million yen were recognized. These deferred tax assets were recognized mainly for a portion of the balance of tax loss carryforwards at Three Limes, Inc., which is a consolidated subsidiary. Valuation allowances were not recognized for the portions of these tax loss carryforwards that were determined to be recoverable based on future taxable income projections and other factors of Three Limes, Inc.

2. Reconciliation between the statutory effective tax rate and the actual effective tax rate after the application of tax effect accounting

	Previous consolidated fiscal year (as of March 31, 2025)	Current consolidated fiscal year (as of March 31, 2026)
Statutory effective tax rate	30.6%	30.6%
(Adjustments)		
Items not included in losses permanently, such as entertainment expenses	1.2	0.6
Per capita apportionment of residents' tax	4.3	2.4
Tax deductions under program to increase income	(0.0)	(9.4)
Amortization of goodwill	6.8	5.0
Impairment loss on goodwill	0.5	5.6
Change in amount of valuation allowance	8.1	0.5
Investment loss (profit) on equity method	(2.3)	0.2
Difference in tax rates of foreign subsidiaries	0.3	0.8
Adjustments to distributions from partnerships included in net profit/loss attributable to non-controlling interests	(0.6)	0.8
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	0.7	0.9
Effective tax rate after application of tax effect accounting	47.2	38.1

3. Accounting treatment for corporate income tax and local corporate income tax or accounting treatment and disclosure for tax effect accounting related to these taxes

Certain consolidated subsidiaries applied the group aggregate taxation system during the previous consolidated fiscal year and during the period of the current consolidated fiscal year. In accordance with the "Practical Solution on the Accounting Treatment and Disclosure When Applying the Group Aggregate Taxation System" (ASBJ Practical Solution No. 42, August 12, 2021), these subsidiaries performed the accounting treatment for corporate income tax and local corporate income tax, or the accounting treatment and disclosure for tax effect accounting related to these taxes.

Furthermore, due to an organizational restructuring, the said consolidated subsidiaries were excluded from the scope of consolidation as of October 1, 2025. Therefore, there are no consolidated companies that apply the group aggregate taxation system as of the end of the current consolidated fiscal year.

(Business combinations)

(Transactions under common control)

At the Board of Directors meeting held on June 26, 2025, the Company resolved to conduct a corporate divestiture (incorporation-type divestiture) of SHiDAX HOLDINGS CORPORATION and SHiDAX CORPORATION, which are consolidated subsidiaries in which the Company holds a 66% equity interest, and to acquire 100% of the shares of the newly established successor companies. Through this transaction, the Company made SHiDAX CONTRACT FOOD SERVICE CORPORATION, SHiDAX FOOD SERVICE CORPORATION, SLOGIX CORPORATION, and other companies, which develop the B2B Subscription Business (food service business), and SHiDAX DAISHINTO HUMAN SERVICE Inc., which develops the Social Services Business, into wholly-owned subsidiaries. Based on the resolution, the Company entered into a share transfer agreement on the same date and acquired 100% of the issued shares of the successor companies as of September 1, 2025.

(1) Overview of the transaction

Incorporation-type divestiture

(i) Names and lines of business of the companies subject to the divestiture

Name of divesting company: SHiDAX HOLDINGS CORPORATION

Lines of business: Holding company of SHiDAX CORPORATION

Name of divesting company: SHiDAX CORPORATION

Lines of business: Food service business, Vehicle operation service business, Social services business

(ii) Date of business combination

September 1, 2025

(iii) Legal form of business combination

A corporate divestiture through an incorporation-type divestiture, with SHiDAX HOLDINGS CORPORATION and SHiDAX CORPORATION as the divesting companies, and newly established ORD Food Service Holdings Inc. and SHiDAX Human & Food Services, Inc. as the newly established companies.

(iv) Name of the enterprise after business combination

ORD Food Service Holdings Inc., SHiDAX Human & Food Service, Inc.

Additional acquisition of shares of subsidiaries

(i) Name and lines of business of the combining enterprise

Name of combining enterprise: ORD Food Service Holdings Inc.

Lines of business: Holding company of SHiDAX Human & Food Service, Inc.

(ii) Date of business combination

September 1, 2025

(iii) Legal form of business combination

Acquisition of shares from non-controlling shareholders

(iv) Name of the enterprise after business combination

There is no change.

(v) Other matters concerning the overview of the transaction

The ratio of voting rights of the additionally acquired shares is 34.0%. The purpose of the additional acquisition is to integrate corporate cultures and accelerate the speed of problem-solving with the combining enterprise, thereby achieving early business growth and profitability improvements.

(2) Overview of the accounting treatment applied

In accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019), the transaction was treated as a transaction with non-controlling shareholders under transactions under common control.

(3) Matters to be disclosed in the case of additional acquisition of shares of a subsidiary

Acquisition cost of the acquired enterprise and a breakdown by type of consideration:

Acquisition price	Cash	1,498 million yen
Acquisition cost		1,498 million yen

(4) Matters concerning changes in the Company's ownership interest related to transactions with non-controlling shareholders

(i) Main cause of change in capital surplus

Additional acquisition of shares of a subsidiary

(ii) Amount of capital surplus decreased due to transactions with non-controlling shareholders

1,498 million yen

(Sale of shares of a subsidiary)

At the Board of Directors meeting held on June 26, 2025, the Company resolved to transfer all shares of SHiDAX HOLDINGS CORPORATION, which was a consolidated subsidiary of the Company, and transferred the shares as of October 1, 2025. As a result, SHiDAX HOLDINGS CORPORATION and its subsidiary, DAISHINTO Inc., were excluded from the scope of consolidation of the Company.

(1) Overview of the divestiture

(i) Name of the transferee

SHiDAX HOLDINGS CORPORATION

(ii) Lines of business of the divested business

The holding company of SHiDAX CORPORATION, Vehicle operation service business, etc.

(iii) Main reasons for conducting the divestiture

The Company made SHiDAX HOLDINGS CORPORATION into a consolidated subsidiary in January 2024. Through activities such as employee secondment and business collaboration, the Company has been working to create synergies by sharing the management resources and business know-how possessed by SHiDAX CORPORATION and the Company. On the other hand, facing challenges such as labor shortages and soaring raw material costs, and with reorganization movements progressing within the food service industry, the Company recognizes that there are many issues to be addressed, such as the growth and profitability improvement of the B2B Subscription Business, as well as the reinforcement of the organizational structure.

Under these circumstances, by making the B2B subscription business of SHiDAX CORPORATION into a wholly-owned subsidiary, the Company believes it can further accelerate the integration of corporate cultures and the speed of problem-solving, thereby achieving early business growth and profitability improvements. In addition, the Company believes that it can create an environment that easily exerts synergy effects by also acquiring the Social Services Business, which includes the school food service business that has a high affinity with the B2B subscription business. On the other hand, by transferring the Vehicle and Other Businesses, the Company will focus on our core B2C subscription business and B2B subscription business to promote our operations.

(iv) Date of the divestiture

October 1, 2025

(v) Other matters concerning the overview of the transaction including its legal form

A divestiture in which the consideration received consists solely of assets such as cash.

(2) Overview of the accounting treatment applied

(i) Amount of gain or loss on transfer

Gain on sale of shares of an associated company: 2,292 million yen

(ii) Appropriate book values of assets and liabilities related to the divested business and their main breakdown

Current assets	11,973	million yen
Non-current assets	20,951	
Total assets	32,924	
Current liabilities	6,535	
Non-current liabilities	5,096	
Total liabilities	11,631	

(iii) Accounting treatment

The difference between the consolidated book value of the transferred shares and the sale price is recognized as "gain on sale of shares of an associated company" under extraordinary income.

(3) Reportable segments in which the divested business was included

Vehicle operation service, Others

(4) Estimated amount of profit or loss related to the divested business recognized in the consolidated statement of income for the current consolidated fiscal year

Net sales	15,261	million yen
Operating profit	635	

(Asset retirement obligations)

Asset retirement obligations recognized on the consolidated balance sheet

A. Overview of the asset retirement obligations

These obligations are restoration obligations associated with real estate lease agreements for the head office, logistics centers, and other facilities of the Company and its consolidated subsidiaries.

B. Method of calculating the amount of the asset retirement obligations

The amount of asset retirement obligations is calculated by estimating the expected period of use to be 2 to 32 years from acquisition, and using discount rates ranging from (0.15)% to 2.636%.

C. Changes in the total amount of the asset retirement obligations

	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026
Starting balance	975 million yen	1,316 million yen
Increase associated with acquisition of property, plant, and equipment	345	15
Increase (decrease) due to change in estimates *	11	9
Adjustments over time	(2)	—
Decrease due to performance of asset retirement obligations	(33)	(4)
Additional amount associated with new consolidation	15	—
Increase (decrease) due to exclusion from consolidation	—	(213)
Other increases (decreases)	3	—
Ending balance	1,316	1,123

* The increase (decrease) due to changes in accounting estimates is the result of making a more refined estimate based on the acquisition of new information.

(Revenue recognition)

1. Information disaggregating revenue from contracts with customers

Information disaggregating revenue from contracts with customers is as disclosed in “Section 5. Accounting: 1. Consolidated financial statements: Notes to the consolidated financial statements: (Segment information).”

2. Basic information for understanding revenue from contracts with customers

Details of key services

B2C Subscription Business	Food delivery service
B2B Subscription Business	Contracted food services of employee cafeterias in offices, factories, and cafeterias in schools Management of school lunch programs Contracted food services of cafeterias in student dormitories and employee dormitories Contracted food services of restaurants and employee clubs Consignment store management Healthcare food services at hospitals and clinics, and contracted operation of hospital staff cafeterias and outpatient restaurants Wholesale distribution of food ingredient and other items for nurseries, and catering services for nurseries, kindergartens, special nursing homes for the elderly, nursing care facilities for the elderly, elderly care facilities, facilities for persons with disabilities
Social Services Business	Operation and management of public facilities After-school child development programs, and after-school clubs Operation Management of dormitories and recreational facilities Operation of local tourist facilities
Vehicle Operation Services Business	Management of company executive vehicles Management of customer-owned private vehicles Management of community buses, route buses, etc. Charter bus and other passenger transportation services

The nature of the main performance obligations in the major businesses related to revenue arising from contracts with customers of the Company and its consolidated subsidiaries, and the ordinary timing at which such performance obligations are satisfied (the ordinary timing of revenue recognition) are as follows:

The B2C subscription business, which is our major business, primarily involves the sale of food and other products. For the sale of these products, the Company judges that the performance obligation is satisfied when the customer obtains control of the product upon its delivery. Therefore, revenue is recognized at the time the product is delivered to the customer.

For the provision of services in the B2B Subscription Business, Social Services Business, and Vehicle Operation Service Business, the service details and the rights and obligations of the parties are determined based on the contracts between the Company and its consolidated subsidiaries and the customers, and the services are provided continuously over the contract period. Since these performance obligations are satisfied by providing contract-based services to customers over the contract period, they are treated as performance obligations satisfied over a period of time. In addition, customers are required to pay the Company and its consolidated subsidiaries monthly fees determined in the contracts or usage fees according to the services provided, and revenue is recognized each month over the contract period during which the performance obligations are satisfied.

The ingredient wholesale business for nurseries within the B2B Subscription Business is a product sales business. In addition, product sales are also conducted in the contracted operations of employee cafeterias, student cafeterias, staff cafeterias, restaurants, and kiosks, as well as in the operation and management of public facilities and regional tourism facilities within the Social Service Business. For these product sales, the Company judges that the performance obligation is satisfied when the promised goods are delivered to the customer, and revenue is recognized at that point in time.

The consideration for product sales transactions related to the B2C Subscription Business is received generally within 60 days after satisfying the performance obligations. For the consideration for the provision of services in the B2B Subscription Business, Social Services Business, and Vehicle Operation Service Business, customers are billed monthly after the performance obligations are satisfied for each month, and the normal payment due date is generally within 30 days. These transactions do not include a significant financing component.

3. Information on the relationship between the satisfaction of performance obligations based on contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue expected to be recognized in subsequent consolidated fiscal years from contracts with customers existing at the end of the current consolidated fiscal year

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

(i) Balance of contract liabilities

The opening and closing balances of receivables and contract liabilities arising from contracts with customers recognized by the Company and its consolidated subsidiaries for the previous consolidated fiscal year are as follows:

	Previous consolidated fiscal year
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

Contract liabilities primarily relate to the transaction price allocated based on the stand-alone selling price, calculated by considering future forfeitures and other factors, to the year-end balance of points granted to members upon product purchases under the Company's point program aimed at sales promotion, as well as advances received from customers related to the Social Services Business. Contract liabilities are reversed as revenue is recognized. Of the amount of revenue recognized in the previous consolidated fiscal year, the amount included in the contract liability balance at the beginning of the fiscal year was 505 million yen. The increase in contract liabilities was primarily due to the granting of points and an increase in advances received from customers in the Social Services Business.

(ii) Transaction price allocated to the remaining performance obligations

Since the Company and its consolidated subsidiaries do not have significant transactions with an initially expected contract duration exceeding one year, the Company applies a practical expedient and omits the disclosure of the transaction price allocated to the remaining performance obligations.

Current consolidated fiscal year (April 1, 2025 – March 31, 2026)

(i) Balance of contract liabilities

The opening and closing balances of receivables and contract liabilities arising from contracts with customers recognized by the Company and its consolidated subsidiaries for the previous consolidated fiscal year are as follows:

	Consolidated fiscal year
Claims from contracts with customers (starting balance)	25,946 million yen
Claims from contracts with customers (ending balance)	23,693 million yen
Contractual obligations (starting balance)	499 million yen
Contractual obligations (ending balance)	533 million yen

Contract liabilities primarily relate to the transaction price allocated based on the stand-alone selling price, calculated by considering future forfeitures and other factors, to the year-end balance of points granted to members upon product purchases under the Company's point program aimed at sales promotion, as well as advances received from customers related to the Social Services Business. Contract liabilities are reversed as revenue is recognized. Of the amount of revenue recognized in the current consolidated fiscal year, the amount included in the contract liability balance at the beginning of the fiscal year was 499 million yen. The increase in contract liabilities was primarily due to the granting of points and an increase in advances received from customers in the Social Services Business.

(ii) Transaction price allocated to the remaining performance obligations

Since the Company and its consolidated subsidiaries do not have significant transactions with an initially expected contract duration exceeding one year, the Company applies a practical expedient and omits the disclosure of the transaction price allocated to the remaining performance obligations.

(Segment information)

Segment and Other information

1. Overview of reportable segment

The reportable segments of the Group consist of its business components for which separate financial information is maintained. These segments are subject to regular review by the Board of Directors to inform decisions regarding the allocation of management resources and the assessment of performance. The Group identifies the following reportable segments: "B2C Subscription," "B2B Subscription," "Social Services," and "Vehicle Operation Services." The products and services encompassed within each segment are detailed below.

Reportable segment	Main products and services
B2C Subscription	Food delivery service
B2B Subscription	Contracted food services of employee cafeterias in offices, factories, and cafeterias in schools Management of school lunch programs Contracted food services of cafeterias in student dormitories and employee dormitories Contracted food services of restaurants and employee clubs Consignment store management Healthcare food services at hospitals and clinics, and contracted operation of hospital staff cafeterias and outpatient restaurants Wholesale distribution of food ingredient and other items for nurseries, and catering services for nurseries, kindergartens, special nursing homes for the elderly, nursing care facilities for the elderly, elderly care facilities, facilities for persons with disabilities
Social Services	Operation and management of public facilities After-school child development programs, and after-school clubs Operation Management of dormitories and recreational facilities Operation of local tourist facilities
Vehicle Operation Services	Management of company executive vehicles Management of customer-owned private vehicles Management of community buses, route buses, etc. Charter bus and other passenger transportation services

2. Matters related to changes in reportable segments

(Change in method of reporting segments)

Effective from the current fiscal year, the Company has revised its performance management categories to align them with strategic business operations, with the aim of concentrating and optimizing management resources on its core B2C Subscription and B2B Subscription Businesses. Consequently, the method of classifying reportable segments has been changed.

The School Lunch business, which was previously classified under the "Social Service Business," has been reclassified into the "B2B Subscription Business" because its business characteristics are highly similar to those of the meal service business for elderly care facilities, nurseries, and company cafeterias, which represent the main businesses of the B2B Subscription Business.

Segment information for the previous fiscal year has been prepared based on the newly adopted classification.

(Change in names of disaggregated revenue information)

Effective from the current fiscal year, within the disaggregated revenue information of reportable segments, the names of certain categories have been changed as follows: "Medical Food Service" has been changed to "Food service (Life Care)"; "Contract Food Service" to "Food service (Contract)"; "School Lunch" to "Food service (School Lunch)"; and "Social Services" to "Other Social Services". This change represents solely a renaming of the disaggregated revenue information within the reportable segments and has no impact on segment information.

Additionally, segment information for the previous fiscal year has been restated using the newly adopted names.

3. Calculation method for net sales, income or loss, assets, liabilities, and other items by reportable segment

Methods of accounting for the segments are consistent with the accounting policies adopted for the consolidated financial statements.

Inter-segment sales and transfers are based on market prices.

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

Fiscal year ended March 31, 2025

(Unit: million yen)

	Reportable Segment					Other Businesses	Adjustments	Amount of Consolidated Statements of Income
	B2C Subscription	B2B 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
Food service (Life Care)	—	32,864	—	—	32,864	—	—	32,864
Food service (Contract)	—	22,770	—	—	22,770	—	—	22,770
Food service (School Lunch)	—	15,792	—	—	15,792	—	—	15,792
Suku-suku Oisix	—	1,985	—	—	1,985	—	—	1,985
After-school care service	—	—	23,472	—	23,472	—	—	23,472
Other social services	—	—	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	76,483	36,512	27,114	237,262	18,567	—	255,829
Other	—	—	—	—	—	179	—	179
Net sales to external customers	97,152	76,483	36,512	27,114	237,262	18,746	—	256,009
Intersegment sales and transfers	0	93	47	59	200	2,391	(2,592)	—
Total	97,152	76,576	36,559	27,174	237,462	21,138	(2,592)	256,009
Segment profit (loss)	9,361	1,339	1,226	1,930	13,857	1,048	(8,042)	6,864
Segment assets	50,040	36,203	12,965	30,438	129,647	11,720	(6,804)	134,564
Other items								
Depreciation	2,793	694	178	515	4,181	146	264	4,592
Amortization of goodwill	188	469	142	402	1,203	136	—	1,339
Investment gain/loss on equity method	—	—	—	—	—	498	—	498
Investment in equity method affiliates	—	—	—	—	—	45	—	45
Capital expenditures	2,220	213	65	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 investment business and others.
2. Adjustments to segment income mainly consist of corporate expenses, such as general and administrative expenses that are not attributable to any reportable segment. The adjustments to segment assets, totaling (6,804) million yen, include (18,056) million yen for the elimination of inter-segment receivables and 11,252 million yen for corporate assets not allocated to any reportable segment. Additionally, depreciation and amortization expenses relate to corporate assets that are not allocated to any reportable segment. Furthermore, increases in tangible and intangible fixed assets represent additions to unallocated corporate assets.
3. Segment income represents operating income adjusted for corporate-level expenses and other items.
4. "Other" revenue is recorded in accordance with the 'Accounting Standard for Lease Transactions (ASBJ Statement No. 13).

Fiscal year ended March 31, 2026

(Unit: million yen)

	Reportable Segment					Other Businesses	Adjustments	Amount of Consolidated Statements of Income
	B2C Subscription	B2B Subscription	Social Services	Vehicle Operation Services	Total			
Net Sales								
Oisix	60,114	—	—	—	60,114	—	—	60,114
Daichi wo Mamorukai	10,179	—	—	—	10,179	—	—	10,179
Radish Boya	16,675	—	—	—	16,675	—	—	16,675
Purple Carrot	7,317	—	—	—	7,317	—	—	7,317
Food service (Life Care)	—	33,913	—	—	33,913	—	—	33,913
Food service (Contract)	—	25,112	—	—	25,112	—	—	25,112
Food service (School Lunch)	—	18,219	—	—	18,219	—	—	18,219
Suku-suku Oisix	—	2,552	—	—	2,552	—	—	2,552
After-school care service	—	—	27,630	—	27,630	—	—	27,630
Other social services	—	—	12,718	—	12,718	—	—	12,718
Executive vehicle management	—	—	—	6,132	6,132	—	—	6,132
General vehicle management	—	—	—	5,758	5,758	—	—	5,758
Passenger transport	—	—	—	2,658	2,658	—	—	2,658
Other	—	3,426	—	—	3,426	18,938	—	22,365
Revenue from Contracts with Customers	94,286	83,223	40,349	14,549	232,408	18,938	—	251,346
Other	—	—	—	—	—	73	—	73
Net sales to external customers	94,286	83,223	40,349	14,549	232,408	19,011	—	251,419
Intersegment sales and transfers	0	162	29	35	227	2,691	(2,918)	—
Total	94,286	83,385	40,378	14,584	232,635	21,702	(2,918)	251,419
Segment profit (loss)	8,265	2,908	1,505	1,369	14,049	656	(7,365)	7,339
Segment assets	48,669	37,155	10,320	—	96,146	9,099	2,892	108,137
Other items								
Depreciation	2,832	694	191	295	4,014	146	223	4,385
Amortization of goodwill	185	459	142	201	989	197	—	1,187
Investment gain/loss on equity method	—	—	—	—	—	(41)	—	(41)
Investment in equity method affiliates	—	—	—	—	—	—	—	—
Capital expenditures	487	408	80	542	1,519	227	152	1,899

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 investment business and others.
- The adjustments to segment assets, totaling 2,892 million yen, include (1,861) million yen for the elimination of inter segment receivables and 4,754 million yen for corporate assets not allocated to any reportable segment. Additionally, depreciation and amortization expenses relate to corporate assets that are not allocated to any reportable segment. Furthermore, increases in tangible and intangible fixed assets represent additions to unallocated corporate assets.
- Segment income represents operating income adjusted for corporate-level expenses and other items.
- Since SHiDAX HOLDINGS CORPORATION, SHiDAX CORPORATION, DAISHINTO Inc., and five other subsidiaries—which were classified under the Vehicle Operation Service Business and Other Businesses—were excluded from the scope of consolidation due to the transfer of all their shares, their operating results for the period from April 1, 2025, to September 30, 2025, are presented.
- "Other" revenue is recorded in accordance with the 'Accounting Standard for Lease Transactions (ASBJ Statement No. 13)'

Related information

Fiscal year ended March 31, 2025

1. Information on products and services

(Unit: million yen)

	B2C Subscription	B2B Subscription	Social Services	Vehicle Operation Service	Other Businesses	Total
Sales to external customers	97,152	76,483	36,512	27,114	18,746	256,009

2. Information by region

(1) Sales

Sales to external customers in Japan exceed 90% of net sales in the consolidated statement of income, so this information has been omitted.

(2) Tangible fixed assets

The amount of tangible fixed assets located in Japan exceeds 90% of the amount of tangible fixed assets on the consolidated balance sheet, so this information has been omitted.

3. Information by major customers

Sales to external customers are omitted because there are no customers that account for 10% or more of net sales in the consolidated income statement.

Fiscal year ended March 31, 2026

1. Information on products and services

(Unit: million yen)

	B2C Subscription	B2B Subscription	Social Services	Vehicle Operation Service	Other Businesses	Total
Sales to external customers	94,286	83,223	40,349	14,549	19,011	251,419

2. Information by region

(1) Sales

Sales to external customers in Japan exceed 90% of net sales in the consolidated statement of income, so this information has been omitted.

(2) Tangible fixed assets

The amount of tangible fixed assets located in Japan exceeds 90% of the amount of tangible fixed assets on the consolidated balance sheet, so this information has been omitted.

3. Information by major customers

Sales to external customers are omitted because there are no customers that account for 10% or more of net sales in the consolidated income statement.

Information on impairment losses on fixed assets by reportable segment

Fiscal year ended March 31, 2025

(Unit: million yen)

	B2C Subscription	B2B Subscription	Social Services	Vehicle Operation Service	Total	Other	Consolidated elimination	Amount of Consolidated Financial Statements
Impairment loss	—	39	—	63	103	117	—	221

Note: The amount under "Other" consists of goodwill related to AgriGate, a consolidated subsidiary, and amounts related to the overseas food delivery business (Hong Kong).

Fiscal year ended March 31, 2026

(Unit: million yen)

	B2C Subscription	B2B Subscription	Social Services	Vehicle Operation Service	Total	Other	Consolidated elimination	Amount of Consolidated Financial Statements
Impairment loss	389	438	13	6	847	860	—	1,707

Note: The amount in "Other" consists of goodwill and assets (such as stores) related to HiOLI Inc., a consolidated subsidiary, and amounts related to the overseas food delivery business (Hong Kong).

Amortization and carrying amount of goodwill by reportable segment

Fiscal year ended March 31, 2025

(Unit: million yen)

	B2C Subscription	B2B Subscription	Social Services	Vehicle Operation Service	Total	Other	Consolidated elimination	Amount of Consolidated Financial Statements
Amortization on during the period	188	469	142	402	1,203	136	—	1,339
Carrying amount at the end of period	490	6,466	2,246	4,742	13,946	890	—	14,837

Note: The amount under "Other" represents amortization and carrying amount of goodwill associated with the agricultural product and food manufacturing and sales business.

Fiscal year ended March 31, 2026

(Unit: million yen)

	B2C Subscription	B2B Subscription	Social Services	Vehicle Operation Service	Total	Other	Consolidated elimination	Amount Recorded in Consolidated Financial Statements
Amortization on during the period	185	459	142	201	989	197	—	1,187
Carrying amount at the end of period	—	5,626	2,104	—	7,730	—	—	7,730

Note: The amount under "Other" represents amortization and carrying amount of goodwill associated with the agricultural product and food manufacturing and sales business.

Information on negative goodwill gains by reportable segment

Fiscal year ended March 31, 2025

Not applicable

Fiscal year ended March 31, 2026

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

Fiscal year ended March 31, 2025

Not applicable

Fiscal year ended March 31, 2026

Not applicable

(B) Officers and major shareholders (individuals only) of the Company submitting the consolidated financial statements

Fiscal year ended March 31, 2025

Not applicable

Fiscal year ended March 31, 2026

Type	Personal or corporate name	Location	Capital or investment (million yen)	Description of Principal 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 directors and their close relatives hold a majority of voting rights (including their subsidiaries)	SDI Corporation	Shibuya-ku, Tokyo	5	Securities investment and real estate leasing businesses	–	Acquisition of shares of subsidiaries and associates	Acquisition of shares of subsidiaries and associates (*1)	766	–	–
Officer of significant subsidiaries and their close relatives	Kinichi Shida	–	–	Officer of significant subsidiaries	–	Officer of significant subsidiaries	Acquisition of shares of subsidiaries and associates (*1)	566	–	–
	Tomiji Shida	–	–	–	–	Close relative of an officer of a consolidated subsidiary	Acquisition of shares of subsidiaries and associates (*1)	21	–	–
	Miyuki Shida	–	–	–	–	Close relative of an officer of a consolidated subsidiary	Acquisition of shares of subsidiaries and associates (*1)	11	–	–

Notes:

- Kinichi Shida, Representative Director of SDI Corporation, concurrently serves as Representative Director of SHiDAX CORPORATION. Following the reorganization of the SHiDAX Group's subsidiaries, SHiDAX CORPORATION was excluded from the scope of consolidation effective October 1, 2025, and consequently, SDI Corporation ceased to be a related party.
- Transaction terms and policies for determining transaction terms
Thereof (*1) The acquisition price of the shares of subsidiaries and associates is determined through negotiation, taking into account net asset value and other relevant factors, while referencing opinions from a third-party institution.

(2) Transactions between consolidated subsidiaries of the Company submitting the consolidated financial statements and related parties

Fiscal year ended March 31, 2025

Type	Personal or corporate name	Location	Capital or investment (million yen)	Description of principal 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	Reimbursed salaries for seconded employees (*1)	84	Advances paid	0
	SHiDAX Nakaizu Winery Hills Inc.	Chofu-shi, 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	-	-
							Facility fees for dining and other services (*3)	18	Accounts payable – other	0
							Payment of office rent (*4)	11	Other current assets	0
							Reimbursed salaries for seconded employees (*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, concurrently serves as Representative Director of SHiDAX CORPORATION, a subsidiary of the Company.
- Regarding SDI Corporation, Kinichi Shida, Representative Director of the Company's subsidiary SHiDAX CORPORATION, and his close relatives directly hold 100% of the voting rights.
- Kinichi Shida, Director of SHIDA Corporation, concurrently serves as Representative Director of SHiDAX CORPORATION, a subsidiary of the Company.
- Regarding SHIDA Corporation, Kinichi Shida, Representative Director of the Company's subsidiary SHiDAX CORPORATION, and his close relatives directly hold a majority of the voting rights.
- Kinichi Shida, Representative Director of SHiDAX Nakaizu Winery Hills Inc., concurrently serves as Representative Director of SHiDAX CORPORATION, a subsidiary of the Company.
- SHiDAX Nakaizu Winery Hills Inc. is a subsidiary of SHIDA Corporation, in which Kinichi Shida, Representative Director of the Company's subsidiary SHiDAX CORPORATION, and his close relatives hold a majority of the voting rights.
- Transaction terms and policies for determining transaction terms
 - (*1) Reimbursed salaries for seconded employees are based on actual costs.
 - (*2) Rent is determined based on an appraisal report provided by a certified real estate appraiser.
 - (*3) Facility fees for dining and other services are determined in the same manner as general transaction terms.
 - (*4) Payments for office rent are determined through negotiation based on prevailing market rates in the neighboring area.
 - (*5) Interest income is determined based on the borrowing interest rates of SHiDAX CORPORATION, a subsidiary of the Company.
 - (*6) Sales of consumables are determined through negotiation in consideration of market prices.

Fiscal year ended March 31, 2026

Type	Personal or corporate name	Location	Capital or investment (million yen)	Description of principal 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	Shibuya-ku, Tokyo	5	Securities investment and real estate leasing businesses	–	Provision of construction cooperation funds Concurrent service of officers	Provision of construction cooperation funds	66	–	–
	SHIDA Corporation	Shibuya-ku, Tokyo	10	Securities investment business	–	Concurrent service of officers	Reimbursed salaries for seconded employees (*1)	38	–	–
	SHiDAX Nakaizu Winery Hills Inc.	Chofu-shi, Tokyo	10	Managing and operating hotels, restaurants, and bars	–	Reimbursed salaries Concurrent service of officers	Advance payment of salaries of seconded personnel (*1)	315	–	–
							Receipts of interest on installment repayment (*2)	7	–	–
							Receipts of Facility fees (*3)	16	–	–

Notes:

- Kinichi Shida, Representative Director of SDI Corporation, concurrently serves as Representative Director of SHiDAX CORPORATION, a subsidiary of the Company.
- Regarding SDI Corporation, Kinichi Shida, Representative Director of the Company's subsidiary SHiDAX CORPORATION, and his close relatives directly hold 100% of the voting rights.
- Kinichi Shida, Director of SHIDA CORPORATION, concurrently serves as Representative Director of SHiDAX CORPORATION.
- Regarding SHIDA Corporation, Kinichi Shida, Representative Director of SHiDAX CORPORATION, and his close relatives directly hold a majority of the voting rights.
- Kinichi Shida, Representative Director of SHiDAX Nakaizu Winery Hills Inc., concurrently serves as Representative Director of SHiDAX CORPORATION, a subsidiary of the Company.
- SHiDAX Nakaizu Winery Hills Inc. is a subsidiary of SHIDA Corporation, in which Kinichi Shida, Representative Director of the Company's subsidiary SHiDAX CORPORATION, and his close relatives hold a majority of the voting rights.
- SDI Corporation, SHIDA CORPORATION, and SHiDAX Nakaizu Winery Hills, Inc. ceased to be related parties due to the exclusion of SHiDAX CORPORATION from the scope of consolidation effective October 1, 2025, resulting from the reorganization of subsidiaries of the SHiDAX Group. Accordingly, the transaction amounts presented are for the period from April 1, 2025 to September 30, 2025.
- Transaction terms and policies for determining transaction terms
 (*1) Reimbursed salaries for seconded employees are based on actual costs.
 (*2) Interest income is determined based on the borrowing interest rates of SHiDAX CORPORATION, a subsidiary of the Company.
 (*3) Receipt of facility fees is determined through negotiations, taking into consideration the intended use of the leased facilities.

2. Notes on the parent company and significant affiliates

(1) Parent company information

Not applicable

(2) Summary financial information on significant affiliates

There were no significant affiliates in the consolidated fiscal year ended March 31, 2026.

(Per-share information)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	874.72 yen	786.67 yen
Earnings per share	103.13 yen	130.34 yen

Notes:

1. Diluted earnings per share is not disclosed because there are no potential shares with a dilutive effect.
2. The basis for calculating earnings per share and diluted earnings per share is as follows.

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Earnings per share		
Profit attributable to owners of parent (million yen)	3,638	4,527
Amount not attributable to common stockholders (million yen)	–	–
Profit attributable to owners of parent attributable to common stock (million yen)	3,638	4,527
Average number of common shares outstanding during the period	35,276,140	34,732,866
Summary of potential shares not included in calculation of diluted earnings per share due to anti-dilutive effect	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	10,095	14,155	1.19	–
Current portion of long-term borrowings	1,884	1,663	1.27	–
Current portion of lease liabilities	1,294	1,295	1.14	–
Long-term borrowings (excluding current portion)	21,401	9,058	1.42	2027–2033
Lease liabilities (excluding current portion)	17,417	16,158	1.14	2027–2039
Other interest-bearing debt	–	–	–	–
Total	52,093	42,330	–	–

Notes:

1. Average interest rate indicates the weighted average interest rate on the ending balance of borrowings.
2. The repayment schedule for long-term borrowings and lease liabilities (excluding the current portion) within five years after the consolidated balance sheet date is as follows.

	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	1,916	1,602	1,594	1,592
Lease liabilities	1,286	1,294	1,302	1,306

Schedule of asset retirement obligations

The explanation of asset retirement obligations is omitted because the information required to be disclosed in this schedule is included in the notes to the consolidated financial statements pursuant to Article 15-23 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements.

(2) Other

Semi-annual information on the consolidated fiscal year ended March 31, 2026

	First half	Consolidated fiscal year ended March 31, 2026
Net sales (million yen)	131,820	251,419
Net income before taxes and other adjustments (million yen)	2,705	7,435
Net income attributable to owners of parent (million yen)	927	4,527
Earnings per share (yen)	26.70	130.34

2. Non-consolidated Financial Statements

(1) Non-consolidated Financial Statements

(i) Balance Sheet

(Unit: million yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	*1 8,823	*1 11,533
Accounts receivable	*2 9,069	*2 10,152
Merchandise and finished goods	1,894	2,031
Work in process	221	231
Raw materials and supplies	661	844
Accounts receivable – other	*2 1,473	*2 1,329
Advances paid	10	11
Prepaid expenses	507	622
Short-term loans to affiliated companies	150	5,080
Other	207	465
Allowance for doubtful accounts	(218)	(242)
Total current assets	22,799	32,058
Non-current assets		
Property, plant, and equipment		
Buildings	1,508	1,403
Structures	30	28
Machinery and equipment	4,142	3,806
Vehicles	15	8
Tools, furniture and fixtures	928	796
Leased assets	18,092	16,806
Construction in progress	-	39
Total property, plant and equipment	24,719	22,890
Intangible assets		
Trademarks	1	0
Software	1,560	1,227
Software in progress	93	202
Total intangible assets	1,655	1,431
Investments and other assets		
Investment securities	966	940
Shares of subsidiaries and associates	19,878	8,462
Long-term loans to affiliates	1,053	20,503
Deferred tax assets	77	212
Leasehold and guarantee deposits	*1 1,625	*1 1,687
Other	*2 98	*2 19
Allowance for doubtful accounts	*2 (58)	*2 (704)
Total investments and other assets	23,641	31,122
Total non-current assets	50,015	55,444
Total assets	72,815	87,502

(Unit: million yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable – trade	*1 5,347	*1 4,938
Short-term borrowings	*3 10,000	*3 14,000
Current portion of long-term borrowings	-	1,569
Lease liabilities	1,234	1,246
Accounts payable – other	*2 4,709	*2 4,472
Accrued expenses	877	954
Income taxes payable	133	1,404
Accrued consumption taxes	-	578
Contract liabilities	202	198
Deposits received	93	88
Provision for point card certificates	109	122
Other	47	51
Total current liabilities	22,755	29,625
Non-current liabilities		
Long-term borrowings	-	8,573
Lease liabilities	17,311	16,068
Asset retirement obligations	988	1,000
Other	*2 152	153
Total non-current liabilities	18,452	25,795
Total liabilities	41,207	55,420
Net assets		
Shareholders' equity		
Share capital	3,995	3,995
Capital surplus		
Capital reserves	7,876	7,876
Other capital surplus	133	-
Total capital surplus	8,009	7,876
Retained earnings		
Other retained earnings		
Retained earnings brought forward	26,218	24,628
Total retained earnings	26,218	24,628
Treasury shares	(6,807)	(4,559)
Total shareholders' equity	31,416	31,940
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	191	141
Total valuation and translation adjustments	191	141
Total net assets	31,607	32,081
Total liabilities and net assets	72,815	87,502

(ii) Statement of Income

(Unit: million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	*1 100,297	*1 103,193
Cost of sales	*1 50,976	*1 53,154
Gross profit	49,321	50,038
Selling, general and administrative expenses	*1,*2 43,356	*1,*2 44,489
Operating profit	5,964	5,549
Non-operating income		
Interest income	11	306
Dividend income	0	-
Foreign exchange gain	-	17
Compensation income	21	26
Gain on investments in partnership	23	-
Gain on sale of investment securities	-	107
Other	40	70
Total non-operating income	97	529
Non-operating expenses		
Interest expenses	268	427
Foreign exchange losses	17	-
Differences in consumption taxes	2	-
Provision of allowance for doubtful accounts	-	704
Other	29	147
Total non-operating expenses	316	1,279
Ordinary profit	5,745	4,799
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	-	2,079
Total extraordinary income	-	2,079
Extraordinary losses		
Impairment losses	6	9
Loss on valuation of shares of subsidiaries and associates	209	4,108
Loss on valuation of investment securities	42	35
Costs of special investigation.	79	-
Total extraordinary losses	338	4,153
Profit before income taxes	5,407	2,725
Income taxes—current	1,554	2,037
Income taxes—deferred	275	(114)
Total income taxes	1,829	1,922
Profit	3,578	802

(iii) Statement of Changes in Shareholders' Equity

Fiscal year ended March 31, 2025

(Unit: 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 the beginning of period	3,995	7,876	133	8,009	22,640	22,640
Changes during period						
Net income					3,578	3,578
Acquisition of treasury shares						
Net changes in items other than shareholders' equity						
Total changes during the period	—	—	—	—	3,578	3,578
Balance at the 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 the beginning of the period	(4,504)	30,141	225	225	30,367
Changes during the period					
Net income		3,578			3,578
Acquisition of treasury shares	(2,303)	(2,303)			(2,303)
Net changes in items other than shareholders' equity			(34)	(34)	(34)
Total changes during the period	(2,303)	1,274	(34)	(34)	1,240
Balance at the end of period	(6,807)	31,416	191	191	31,607

Fiscal year ended March 31, 2026

(Unit: million yen)

	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 the beginning of current period	3,995	7,876	133	8,009	26,218	26,218
Changes during the period						
Cash dividends paid					(277)	(277)
Net income					802	802
Acquisition of treasury shares						
Cancellation of treasury shares			(2,247)	(2,247)		
Transfer from retained earnings to capital surplus			2,114	2,114	(2,114)	(2,114)
Net changes in items other than shareholders' equity						
Total changes during the period	–	–	(133)	(133)	(1,589)	(1,589)
Balance at the end of period	3,995	7,876	–	7,876	24,628	24,628

	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	(6,807)	31,416	191	191	31,607
Changes during period					
Cash dividends paid		(277)			(277)
Net income		802			802
Acquisition of treasury shares	(0)	(0)			(0)
Cancellation of treasury shares	2,247	–			–
Transfer from retained earnings to capital surplus		–			–
Net changes in items other than shareholders' equity			(49)	(49)	(49)
Total changes during the period	2,247	524	(49)	(49)	474
Balance at the end of period	(4,559)	31,940	141	141	32,081

Notes

(Significant accounting policies)

1. Valuation standards and methods for assets

(1) Securities

Stocks of subsidiaries and associates

Stated at cost determined by the moving-average method.

Available-for-sale securities

Those other than stocks with no fair market value

Stated at fair value (with any unrealized gains or losses reported as a separate component of net assets, and cost of securities sold determined by the moving-average method).

Stocks with no fair market value

Stated at cost determined by the moving-average method.

Investments in limited investment partnerships and similar partnerships are accounted for by recognizing the Company's proportionate share of the net assets of the partnerships based on their most recent available financial statements as of the settlement dates prescribed in the partnership agreements.

(2) Inventories

Stated at cost determined by the moving-average method, the first-in, first-out method, and the gross-average method (with balance sheet values determined by writing down the book value due to a decline in profitability).

2. Depreciation and amortization methods for non-current assets

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

Depreciation is calculated using the straight-line method.

The principal useful lives are as follows:

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)

Amortization is calculated using the straight-line method. Internal-use software is amortized over its estimated useful life within the Company (5 years).

(3) Leased assets

Leased assets under finance lease transactions that transfer ownership

Depreciated using the same method applied to self-owned property, plant, and equipment.

Leased assets under finance lease transactions that do not transfer ownership

Depreciated using the straight-line method over the lease period as the useful life with a residual value of zero.

3. Accounting standards for allowances and provisions

(1) Allowance for doubtful accounts

To prepare for losses on doubtful accounts, the allowance for general receivables is provided based on the historical credit loss ratio. For specific receivables, such as doubtful accounts and bankruptcy or reorganized receivables, the uncollectible amounts are provided based on individual evaluations of their recoverability.

(2) Provision for loyalty points

To prepare for the future use of points granted to customers as action points under the loyalty point program for sales promotion purposes, the estimated amount to be used in the future is provided at the end of the current fiscal year.

4. Accounting standards for revenues and expenses

The description of the principal performance obligations in the main businesses related to revenue from contracts with the Company's customers and the timing at which the Company typically satisfies these performance obligations (the typical timing of revenue recognition) are as follows:

The Company's primary business is the sale of food and related products. For the sale of these products, the Company recognizes revenue at the time the products are delivered to customers, as it is determined that the customer obtains control over the products and the performance obligation is satisfied upon delivery.

In addition, by applying the alternative treatment prescribed in paragraph 98 of the Implementation Guidance on Accounting Standard for Revenue Recognition, revenue from domestic sales of products, primarily in the food delivery business, is recognized at the time of shipment, provided that the period from the time of shipment until the control of the products is transferred to the customer is a normal period.

The consideration for transactions is typically received within approximately 60 days after satisfying performance obligations and does not include a significant financing component.

5. Other significant matters for the preparation of financial statements

Method of processing deferred assets

Stock issuance costs

Expensed in full at the time of payment.

(Significant accounting estimates)

Accounts that involve significant accounting estimates for the financial statements are as follows.

1. Valuation of stocks of ORD Food Services Holdings, Inc.

(1) Amount recorded in the financial statements for the current fiscal year

(million yen)

	Previous fiscal year	Current fiscal year
Shares of subsidiaries and associates	—	6,885

The shares are recognized on the balance sheet due to the organizational restructuring described in "Section 5. Accounting, 1. Consolidated financial statements, (1) Notes to Consolidated Financial Statements (Business combinations)."

No loss on valuation of stocks of subsidiaries and affiliates was recognized for the current fiscal year regarding the said stocks.

(2) Method of calculating the amount recorded in the financial statements for the current fiscal year

Stocks of subsidiaries and affiliates are stated at cost determined by the moving-average method. However, when the real value of the stocks declines significantly, the book value is reduced to the real value, and the amount of the reduction is recognized as a loss for the current period, unless there is evidence of recoverability.

The book value of the stocks of ORD Food Services Holdings, Inc., which was recorded in the current fiscal year due to organizational restructuring, reflects the excess earning power, etc., of the said company and its subsidiaries, such as SHiDAX Human & Food Services Inc. Therefore, the real value of the stocks may decline significantly if the excess earning power, etc., decreases in the future. In such cases, even if there is no deterioration in the financial position of the issuing company, the stocks will be impaired if such conditions are expected to continue over future periods and the excess earning power can no longer be anticipated.

(3) Key assumptions used in calculating the amount recorded in the financial statements for the current fiscal year

Refer to "Section 5. Accounting: 1. Consolidated financial statements: (1) Notes to the Consolidated Financial Statements (Significant accounting estimates) for key assumptions used in calculating the amount recorded in the financial statements for the current fiscal year.

(4) Impact on the financial statements for the next fiscal year

If a revision of the assumptions used in these estimates becomes necessary due to changes in economic conditions surrounding ORD Food Services Holdings, Inc. and its consolidated subsidiaries or changes in the company's operating status, a loss on valuation of stocks of subsidiaries and affiliates may occur in the next fiscal year.

(Changes in presentation)

(Notes to Balance Sheet)

"Short-term loans to affiliated companies," which was included in "Other" under "Current assets" in the previous fiscal year, is presented as a separate line item from the current fiscal year due to its increased quantitative materiality. To reflect this change in presentation, the financial statements for the previous fiscal year have been reclassified.

As a result, 357 million yen presented in "Other" under "Current assets" in the balance sheet for the previous fiscal year has been reclassified into "Short-term loans to affiliated companies" of 150 million yen and "Other" of 207 million yen.

"Long-term deposits received" under "Non-current liabilities," which was presented as a separate line item in the previous fiscal year, is included in "Other" from the current fiscal year due to its decreased quantitative materiality. To reflect this change in presentation, the financial statements for the previous fiscal year have been reclassified.

As a result, 101 million yen presented in "Long-term deposits received" under "Non-current liabilities" in the balance sheet for the previous fiscal year has been reclassified into "Other" of 152 million yen.

(Notes to Balance Sheet)

*1 Assets pledged as collateral and secured liabilities

Assets pledged as collateral are as follows.

	As of March 31, 2025	As of March 31, 2026
Time deposits	10 million yen	10 million yen
Guarantee money	36	36
Total	46	46

Secured liabilities are as follows.

	As of March 31, 2025	As of March 31, 2026
Accounts payable – trade	21 million yen	19 million yen
Total	21	19

*2 The amounts of receivables from and payables to affiliates are as follows:

	As of March 31, 2025	As of March 31, 2026
Short-term monetary receivables	317 million yen	6,555 million yen
Short-term monetary payables	286	208
Long-term monetary receivables	1,105	20,503
Long-term monetary payables	50	–

*3 The Company has entered into overdraft agreements and loan commitment contracts with six of its transaction banks to facilitate efficient procurement of working capital.

The unexecuted loan balance and other amounts under these overdraft agreements and loan commitment contracts as of the end of the fiscal year are as follows.

	As of March 31, 2025	As of March 31, 2026
Total amount of overdraft limits and loan commitments	24,000 million yen	27,000 million yen
Outstanding loan balance	10,000	14,000
Difference	14,000	13,000

(Notes to Income Statement)

*1 Balances of transactions with affiliates

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Balances of operating transactions		
Net sales	2,098 million yen	3,504 million yen
Net purchases of goods	1,712	1,980
Selling, general and administrative expenses	851	763
Balances of transactions other than operating transactions	57	289

- *2 Selling expenses accounted for approximately 55% of the total selling, general and administrative expenses for the previous fiscal year and 55% for the current fiscal year, while general and administrative expenses accounted for approximately 45% for the previous fiscal year and 45% for the current fiscal year.

The major items and their amounts included in selling, general and administrative expenses are as follows:

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Sales promotion expenses	7,318 million yen	7,758 million yen
Packing and shipping expenses	11,649	11,519
Salaries and allowances	4,788	5,334
Outsourcing expenses	5,720	4,914
Provision of allowance for doubtful accounts	188	221
Provision for loyalty points	80	72
Depreciation	2,457	2,543

(Securities)

Market value of shares of subsidiaries and associates is not disclosed because they are categorized as stocks without market prices. The carrying amounts of shares of subsidiaries and associates categorized as stocks without market prices on the non-consolidated balance sheet are as follows.

Amounts recorded on balance sheet of shares of stock with no market prices

Category	Previous fiscal year (million yen)	Current fiscal year (million yen)
Shares of subsidiaries	19,355	7,939
Shares of affiliates	522	522
Total	19,878	8,462

(Tax effect accounting)

1. Significant components of deferred tax assets and liabilities

	Previous fiscal year (as of March 31, 2025)	Current fiscal year (as of March 31, 2026)
Deferred tax assets		
Provision for loyalty points	33 million yen	38 million yen
Contract liabilities	51	54
Allowance for doubtful accounts	85	298
Income taxes payable	26	98
Impairment loss	28	8
Excess depreciation	11	35
Filing adjustments for lease transactions	123	128
Asset retirement obligations	311	315
Shares of subsidiaries and associates	885	2,180
Investment securities	225	200
Other	27	29
Subtotal of deferred tax assets	1,811	3,388
Valuation allowances	(1,441)	(2,919)
Total deferred tax assets	370	468
Deferred tax liabilities		
Retirement costs on asset retirement obligations	(207)	(191)
Valuation loss on available-for-sale securities	(84)	(65)
Total deferred tax liabilities	(292)	(256)
Net deferred tax assets	77	212

2. Reconciliation of the statutory effective tax rate to the actual tax rate after tax effect accounting

	Previous fiscal year (as of March 31, 2025)	Current fiscal year (as of March 31, 2026)
Statutory effective tax rate	30.6%	30.6%
Expenses not permanently deductible for tax purposes, such as entertainment expenses	0.2	0.4
Expenses not permanently deductible for tax purposes, such as dividend income	–	(6.3)
Per capita apportionment of residents' tax	0.4	0.8
Tax deduction under program to increase income	–	(5.5)
Tax deduction under corporate hometown tax program	(0.4)	(1.1)
Revision for increase in deferred tax liabilities at end of period due to revised tax rates	0.0	–
Change in amount of valuation allowance	3.3	54.2
Other	(0.3)	(2.6)
Income tax rate applicable after application of tax effect accounting	33.8	70.6

(Revenue recognition)

Omitted here because the contents remain unchanged from that under “Section 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)	Accumulated depreciation (million yen)	Depreciation during period (million yen)	Ending book value after deduction (million yen)
Property, plant, and equipment	Buildings	2,407	34	2	2,439	1,035	139	1,403
	Structures	44	0	—	45	16	3	28
	Machinery and equipment	5,355	114	—	5,470	1,663	450	3,806
	Vehicles	30	0	—	31	22	8	8
	Tools, furniture, and fixtures	1,453	32	9	1,475	679	164	796
	Leased assets	21,843	3	19	21,827	5,021	1,289	16,806
	Construction in progress	—	40	1	39	—	—	39
	Total	31,134	227	32	31,329	8,439	2,055	22,890
Intangible assets	Trademarks	6	—	—	6	6	0	0
	Software	5,764	284	11 (9)	6,037	4,810	606	1,227
	Software in progress	93	386	277	202	—	—	202
	Total	5,864	671	289 (9)	6,247	4,816	606	1,431

Notes:

- The amount in parentheses in the "Decrease during 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:	Kyoto dining center	66 million yen
Software:	Sales administration system	201 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)	218	242	213	5	242
Provision for loyalty points	109	122	59	50	122
Allowance for doubtful accounts (non-current)	58	704	58	—	704

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