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Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (Under Japanese GAAP)

February 13, 2026

Company name: STI Foods Holdings, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 2932
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 Scheduled date of annual shareholders' meeting: March 26, 2026
 Scheduled date to commence dividend payments: March 10, 2026
 Scheduled date to submit securities report: March 26, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(1) Consolidated business results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2025	38,605	8.5	2,562	(11.7)	2,601	(10.8)	2,488	47.6
Fiscal year ended December 31, 2024	35,580	11.9	2,901	25.8	2,917	25.2	1,685	7.8

Note: Comprehensive income
 Fiscal year ended December 31, 2025 2,490 million yen (45.7%)
 Fiscal year ended December 31, 2024 1,709 million yen (8.8%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Return on assets	Operating profit ratio
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2025	139.96	136.26	27.0	12.7	6.6
Fiscal year ended December 31, 2024	94.80	92.23	21.3	17.0	8.2

Note: The Company implemented a stock split at a ratio of three shares per common share on January 1, 2025. "Basic earnings per share" and "Diluted earnings per share" are calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2025	21,850	10,046	46.0	565.11
As of December 31, 2024	19,284	8,385	43.5	471.68

Reference: Equity capital
 As of December 31, 2025 10,046 million yen
 As of December 31, 2024 8,385 million yen

Note: The Company implemented a stock split at a ratio of three shares per common share on January 1, 2025. "Net assets per share" is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended December 31, 2025	2,019	(1,592)	(1,138)	3,457
Fiscal year ended December 31, 2024	3,231	(3,489)	417	4,176

2. Cash dividends

	Annual dividends per share					Amount of dividends paid (total)	Dividends payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2024	-	40.00	-	80.00	120.00	770	45.7	9.2
Fiscal year ended December 31, 2025	-	20.00	-	20.00	40.00	711	28.6	7.7
Fiscal year ending December 31, 2026 (Forecast)	-	20.00	-	20.00	40.00		41.8	

Note: The Company implemented a stock split at a ratio of three shares per common share on January 1, 2025. The actual dividend amount before the stock split is shown for the fiscal year ended December 31, 2024. Figures after the stock split are shown for the fiscal year ending December 31, 2026 (Forecast).

3. Consolidated financial results forecast for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	40,000	3.6	2,600	1.5	2,600	(0.1)	1,700	(31.7)	95.64

(Note) Because the Company manages its business results on an annual basis, the consolidated results forecast for the first six months is omitted.

For details, see “(4) Future outlook under 1. Summary of Business Results” on page 3 of the attached materials.

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

(New) Three companies (Company names) Hamashin Corporation, Ajino-Hamato Co., Ltd., Tobei Corporation

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2025	17,778,900 shares	As of December 31, 2024	17,778,900 shares
(ii) Number of treasury shares at the end of the period	597 shares	As of December 31, 2024	597 shares
(iii) Average number of shares outstanding during the period	17,778,303 shares	Fiscal year ended December 31, 2024	17,778,303 shares

Note: The Company implemented a stock split at a ratio of three shares per common share on January 1, 2025. The number of issued shares (common shares) is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

* Explanation on the proper use of earnings forecasts, and other special matters

Forward-looking statements concerning financial results forecasts contained in these materials are based on information available to the Company when the forecasts were made and certain assumptions judged to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual results may differ significantly from the forecasts due to a variety of factors. Please see page 3 “1. Summary of Business Results (4) Future outlook” of the attached materials for precautions and other matters when using the earnings forecast and the assumptions underlying the earnings forecast.

* Method for acquiring the financial results briefing materials

The materials for the financial results briefing (for institutional investors and analysts) will be posted on the Company’s website after the briefing.

(Change to the amount display unit)

The amounts of items and other matters presented in the Company’s consolidated financial statements were previously stated in units of thousands of yen, but have been changed to being stated in units of millions of yen effective from the fiscal year under review. For ease of comparison, amounts for the previous fiscal year have also been restated in millions of yen.

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1. Summary of Business Results

(1) Summary of business results for the period under review

In the consolidated fiscal year under review, the Japanese economy maintained a moderate recovery trend due to factors such as improvements in employment and income conditions, and the effects of various policy measures. Meanwhile, the impact of the extremely hot summer and weaker yen caused the price of resources and raw materials to rise, which resulted in widespread price increases of goods and heightened individual awareness for reticent spending among consumers. Going forward, uncertainty remains concerning the future of the global environment in terms of domestic and foreign political affairs, USA trade policy, trends in China's economy, and prolonged international disputes. It is necessary to be cautious of the impact of these factors on financial markets.

In the food industry, product planning that responds to diversified consumer needs and a trend of thriftiness among consumers is required amid the continuous increase of manufacturing costs due to higher raw material and material prices and higher personnel and utilities expenses.

In this environment, the Group has continued to work on improving corporate value over the medium to long term and achieving sustainable growth by adopting the following basic policies: efforts for sustainable raw materials and manufacturing, efforts to reduce food loss, consideration for the environment, vertically integrated development from raw material procurement to manufacturing and sales, and home-meal replacement initiatives with an emphasis on health consciousness and fish culture. In addition, the entire Group has been working to carry out its socially important mission as a food manufacturer to continue stable production and supply for the safety and security of consumers and employees.

As a result, net sales during the fiscal year under review were 38,605 million yen (up 8.5% YoY).

In terms of profit and loss, due to increased costs primarily for raw materials, operating profit was 2,562 million yen (down 11.7% YoY), ordinary profit was 2,601 million yen (down 10.8% YoY), and profit attributable to owners of parent was 2,488 million yen (up 47.6% YoY) for the fiscal year under review.

Effective from the fiscal year under review, the method of classifying reportable segments has been changed, and comparisons and analysis for the fiscal year under review are based on the classification after the change.

Business results by segment are as follows.

(Food manufacturing and sales business)

In the food manufacturing and sales business, sales volume remained flat compared to the previous year due to the impact of price increases necessitated by rising manufacturing costs, including raw material prices. In response to the rising prices of marine raw materials, including mackerel used in our mainstay products, we are developing new cost-effective products featuring alternative fish species as the primary ingredient, as well as new products with added value at prices customers will find reasonable. In addition, for further growth ahead, we believe that alongside developing new products, enhancing basic products is an issue of utmost importance, and we will continue to focus on manufacturing quality products by reviewing product standards and strengthening our development system. As a result, net sales in the food manufacturing and sales business were 36,142 million yen (up 1.6% YoY). Segment profit was 3,080 million yen (up 5.6% YoY).

(Retail business)

In the retail business, sales of seasonal products were strong, in addition to products sold over-the-counter at department stores and stores inside train stations. In addition, we are working on joint purchasing of raw materials, expansion of sales channels, etc., with the aim of realizing synergy effects with the food manufacturing and sales business. As a result, net sales in the retail business were 2,481 million yen, and segment profit was 66 million yen.

(2) Summary of financial position for the period under review

Total assets at the end of the fiscal year under review increased by 2,566 million yen compared to the end of the previous fiscal year to 21,850 million yen.

The balance of current assets decreased by 505 million yen compared to the end of the previous fiscal year to 10,559 million yen. This was mainly due to an 834 million yen decrease in cash and deposits and a 204 million yen decrease in notes and accounts receivable - trade, despite a 722 million yen increase in current assets resulting from new consolidation of subsidiaries.

The balance of non-current assets increased by 3,071 million yen compared to the end of the previous fiscal year to 11,291 million yen. This was mainly due to an increase of 2,009 million yen in property, plant and equipment resulting from the new consolidation of subsidiaries and an increase of 852 million yen in investment property.

Total liabilities increased by 904 million yen compared to the end of the previous fiscal year to 11,804 million yen.

The balance of current liabilities decreased by 473 million yen compared to the end of the previous fiscal year to 7,086 million yen. This was mainly due to an 844 million yen decrease in accounts payable - trade and a 253 million yen decrease in income taxes payable, despite a 702 million yen increase in current liabilities resulting from the new consolidation of subsidiaries.

The balance of non-current liabilities increased by 1,378 million yen compared to the end of the previous fiscal year to 4,717 million yen. This was mainly due to a 1,224 million yen increase in non-current liabilities resulting from new consolidation of subsidiaries and a 347 million yen increase in long-term borrowings.

The balance of net assets increased by 1,661 million yen compared to the end of the previous fiscal year to 10,046 million yen. This was mainly due to an increase of 1,658 million yen in retained earnings resulting from the recording of 2,488 million yen in profit attributable to owners of parent despite the dividend of 829 million yen that was paid.

As a result, the shareholder's equity ratio at the end of the fiscal year under review increased by 2.5 percentage points compared to the end of the previous fiscal year to 46.0%.

(3) Summary of cash flows for the period under review

The balance of cash and cash equivalents (below, "cash") at the end of the fiscal year under review decreased by 718 million yen compared to the end of the previous fiscal year to 3,457 million yen.

(Cash flows from operating activities)

Cash provided by operating activities amounted to 2,019 million yen (compared to 3,231 million yen provided in the previous fiscal year). This was mainly due to an increase in cash due to income before income taxes of 3,200 million yen and depreciation of 1,047 million yen despite a decrease in cash due to decrease in trade payables of 682 million yen and income taxes paid of 1,103 million yen.

(Cash flows from investing activities)

Cash used in investing activities amounted to 1,592 million yen (compared to 3,489 million yen used in the previous fiscal year). This was mainly due to 552 million yen used for the purchase of property, plant and equipment and 893 million yen used for the purchase of shares of subsidiaries resulting in change in scope of consolidation.

(Cash flows from financing activities)

Cash used in financing activities amounted to 1,138 million yen (compared to 417 million yen provided in the previous fiscal year). This was mainly due to a decrease in cash caused by expenditures of 581 million yen for repayments of long-term borrowings, 212 million yen for long-term accounts payable repayments, 360 million yen for repayments of lease liabilities, and 829 million yen for dividends paid, despite an increase in cash due to long-term borrowings generating 1,000 million yen.

(4) Future outlook

In terms of the future outlook, the demand for daily prepared products, such as grilled fish and cup deli products from our Group which specializes in marine products, is expected to continue growing as distinct prepared food products within Seven Eleven's business strategy focused on its strength in "Food." We will also continue to focus our efforts on developing products to introduce as new products and renew existing products.

As a result, the consolidated financial results forecast for the following fiscal year (the fiscal year ending December 31, 2026) is net sales of 40,000 million yen, operating profit of 2,600 million yen, ordinary profit of 2,600 million yen, and profit attributable to owners of parent of 1,700 million yen.

In addition, the above results forecast was created based on information available as of the date this document was released. The actual results may differ from the forecast figures due to various factors in the future.

2. Basic Approach for Selecting Accounting Standards

The Group adopts Japanese GAAP for accounting standards to ensure comparability with competitor companies in Japan.

3. Consolidated Financial Statements and Notes

(1) Consolidated balance sheet

(Unit: Millions of yen)

	Previous fiscal year (December 31, 2024)	Fiscal year under review (December 31, 2025)
Assets		
Current assets		
Cash and deposits	4,226	3,507
Notes and accounts receivable - trade	3,804	4,072
Merchandise and finished goods	859	1,107
Work in process	47	50
Raw materials and supplies	1,893	1,415
Other	234	406
Allowance for doubtful accounts	(0)	(0)
Total current assets	11,064	10,559
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,727	7,439
Accumulated depreciation and impairment	(2,011)	(3,285)
Buildings and structures, net	3,716	4,153
Machinery, equipment and vehicles	1,581	1,985
Accumulated depreciation and impairment	(1,092)	(1,496)
Machinery, equipment and vehicles, net	488	488
Land	2,059	3,700
Leased assets	2,702	2,831
Accumulated depreciation and impairment	(1,621)	(1,812)
Leased assets, net	1,080	1,018
Construction in progress	68	13
Other	634	1,004
Accumulated depreciation and impairment	(397)	(685)
Other, net	237	319
Total property, plant and equipment	7,651	9,693
Intangible assets		
Software	230	157
Other	5	4
Total intangible assets	236	161
Investments and other assets		
Investment property, net	-	852
Investment securities	118	189
Leasehold and guarantee deposits	132	231
Deferred tax assets	18	69
Other	62	92
Allowance for doubtful accounts	-	(0)
Total investments and other assets	332	1,435
Total non-current assets	8,219	11,291
Total assets	19,284	21,850

(Unit: Millions of yen)

	Previous fiscal year (December 31, 2024)	Fiscal year under review (December 31, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	4,078	3,493
Short-term borrowings	-	170
Current portion of bonds payable	140	140
Current portion of long-term borrowings	383	566
Lease liabilities	325	319
Accounts payable - other	1,430	1,251
Income taxes payable	622	374
Other	579	771
Total current liabilities	7,560	7,086
Non-current liabilities		
Bonds payable	790	650
Long-term borrowings	922	1,532
Lease liabilities	904	835
Long-term accounts payable - other	467	535
Deferred tax liabilities	76	734
Asset retirement obligations	175	277
Retirement benefit liability	-	75
Provision for retirement benefits for directors (and other officers)	-	47
Other	1	29
Total non-current liabilities	3,339	4,717
Total liabilities	10,899	11,804
Net assets		
Shareholders' equity		
Share capital	1,048	1,048
Capital surplus	948	948
Retained earnings	6,327	7,986
Treasury shares	(0)	(0)
Total shareholders' equity	8,323	9,982
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13	15
Deferred gains or losses on hedges	0	7
Foreign currency translation adjustment	48	41
Total accumulated other comprehensive income	61	64
Share acquisition rights	0	0
Total net assets	8,385	10,046
Total liabilities and net assets	19,284	21,850

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)

(Unit: Millions of yen)

	Previous fiscal year (January 1, 2024 to December 31, 2024)	Fiscal year under review (January 1, 2025 to December 31, 2025)
Net sales	35,580	38,605
Cost of sales	25,627	28,157
Gross profit	9,953	10,447
Selling, general and administrative expenses	7,052	7,885
Operating profit	2,901	2,562
Non-operating income		
Interest and dividend income	10	19
Gain on sale of goods	21	14
Rental income	5	32
Compensation income	20	8
Nuclear site benefits	2	3
Subsidy income	3	3
Other	6	17
Total non-operating income	70	98
Non-operating expenses		
Interest expenses	26	52
Bond issuance costs	20	-
Other	7	6
Total non-operating expenses	54	59
Ordinary profit	2,917	2,601
Extraordinary income		
Gain on sale of non-current assets	14	0
Insurance claim income	0	20
Gain on bargain purchase	-	612
Other	0	0
Total extraordinary income	15	634
Extraordinary losses		
Loss on sale of non-current assets	-	1
Loss on retirement of non-current assets	1	19
Loss on cancellation of leases	-	4
Loss on disaster	-	10
Impairment losses	271	-
Total extraordinary losses	272	35
Income before income taxes	2,659	3,200
Income taxes - current	944	805
Income taxes - deferred	29	(93)
Total income taxes	974	712
Profit	1,685	2,488
Profit attributable to owners of parent	1,685	2,488

(Consolidated statement of comprehensive income)

(Unit: Millions of yen)

	Previous fiscal year (January 1, 2024 to December 31, 2024)	Fiscal year under review (January 1, 2025 to December 31, 2025)
Profit	1,685	2,488
Other comprehensive income		
Valuation difference on available-for-sale securities	7	2
Deferred gains or losses on hedges	1	7
Foreign currency translation adjustment	15	(6)
Total other comprehensive income	24	2
Comprehensive income	1,709	2,490
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,709	2,490

(3) Consolidated statement of changes in equity

Previous fiscal year (January 1, 2024 to December 31, 2024)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,048	948	5,412	(0)	7,408
Changes during period					
Dividends of surplus	-	-	(533)	-	(533)
Dividends of surplus (interim dividends)	-	-	(237)	-	(237)
Profit attributable to owners of parent	-	-	1,685	-	1,685
Net changes in items other than shareholders' equity	-	-	-	-	-
Total changes during period	-	-	914	-	914
Balance at end of period	1,048	948	6,327	(0)	8,323

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	6	(1)	32	37	0	7,446
Changes during period						
Dividends of surplus	-	-	-	-	-	(533)
Dividends of surplus (interim dividends)	-	-	-	-	-	(237)
Profit attributable to owners of parent	-	-	-	-	-	1,685
Net changes in items other than shareholders' equity	7	1	15	24	(0)	24
Total changes during period	7	1	15	24	(0)	939
Balance at end of period	13	0	48	61	0	8,385

Fiscal year under review (January 1, 2025 to December 31, 2025)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,048	948	6,327	(0)	8,323
Changes during period					
Dividends of surplus	-	-	(474)	-	(474)
Dividends of surplus (interim dividends)	-	-	(355)	-	(355)
Profit attributable to owners of parent	-	-	2,488	-	2,488
Net changes in items other than shareholders' equity	-	-	-	-	-
Total changes during period	-	-	1,658	-	1,658
Balance at end of period	1,048	948	7,986	(0)	9,982

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	13	0	48	61	0	8,385
Changes during period						
Dividends of surplus	-	-	-	-	-	(474)
Dividends of surplus (interim dividends)	-	-	-	-	-	(355)
Profit attributable to owners of parent	-	-	-	-	-	2,488
Net changes in items other than shareholders' equity	2	7	(6)	2	(0)	2
Total changes during period	2	7	(6)	2	(0)	1,661
Balance at end of period	15	7	41	64	0	10,046

(4) Consolidated statement of cash flows

(Unit: Millions of yen)

	Previous fiscal year (January 1, 2024 to December 31, 2024)	Fiscal year under review (January 1, 2025 to December 31, 2025)
Cash flows from operating activities		
Income before income taxes	2,659	3,200
Depreciation	832	1,047
Impairment losses	271	-
Interest and dividend income	(10)	(19)
Interest expenses	26	52
Bond issuance costs	20	-
Gain on bargain purchase	-	(612)
Loss (gain) on sale of non-current assets	(14)	1
Loss on retirement of non-current assets	1	19
Decrease (increase) in trade receivables	(453)	(26)
Decrease (increase) in inventories	13	385
Increase (decrease) in trade payables	637	(682)
Increase (decrease) in provision for bonuses	-	(37)
Increase (decrease) in retirement benefit liability	-	(4)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	-	(11)
Increase (decrease) in allowance for doubtful accounts	(0)	0
Decrease (increase) in other assets	(144)	(109)
Increase (decrease) in other liabilities	208	(57)
Other	23	24
Subtotal	4,071	3,168
Interest and dividends received	1	6
Interest paid	(24)	(52)
Income taxes refund	0	0
Income taxes paid	(816)	(1,103)
Net cash provided by (used in) operating activities	3,231	2,019
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,417)	(552)
Proceeds from sale of property, plant and equipment	27	3
Purchase of intangible assets	(70)	(17)
Purchase of investment securities	(29)	(28)
Payments of leasehold and guarantee deposits	(1)	(88)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(893)
Other	1	(15)
Net cash provided by (used in) investing activities	(3,489)	(1,592)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	(15)
Proceeds from long-term borrowings	1,000	1,000
Repayments of long-term borrowings	(195)	(581)
Repayments of long-term accounts payable - other	(214)	(212)
Repayments of lease liabilities	(312)	(360)
Proceeds from issuance of bonds	979	-
Redemption of bonds	(70)	(140)
Dividends paid	(769)	(829)
Net cash provided by (used in) financing activities	417	(1,138)
Effect of exchange rate change on cash and cash equivalents	20	(7)
Net increase (decrease) in cash and cash equivalents	179	(718)
Cash and cash equivalents at beginning of period	3,996	4,176
Cash and cash equivalents at end of year	4,176	3,457

(5) Notes to consolidated financial statements

(Changes in scope of consolidation or scope of equity method)

(Significant changes in scope of consolidation)

Effective from the fiscal year under review, three companies are included in the scope of consolidation due to the newly acquired shares of Hamashin Corporation and its consolidated subsidiaries, Ajino-Hamato Co., Ltd. and Tobei Corporation.

(Changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”) is applied from the beginning of the fiscal year under review. Revisions to the classification of income taxes (taxation on other comprehensive income) are in accordance with the transitional treatment stipulated in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard, and with the transitional treatment of Paragraph 65-2 (2) of “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to the “2022 Revised Implementation Guidance”). This has no impact on the consolidated financial statements.

In addition, regarding the 2022 Revised Implementation Guidance related to the revision of the treatment in consolidated financial statements of the deferral for tax purposes of gains or losses on sales of shares in subsidiaries among consolidated companies, the Company has adopted this guidance effective from the beginning of the fiscal year under review. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been prepared after the retrospective application. This has no impact on the consolidated financial statements for the previous fiscal year.

(Notes on assumption about going concern)

Not applicable.

(Notes on significant changes in shareholders' equity)

Due to the change in scope of consolidation, retained earnings increased by 645 million yen during the consolidated fiscal year under review, and retained earnings amounted to 7,986 million yen as of the end of the fiscal year under review.

(Additional information)

(Effect of change in income taxes rate)

The Act on Partial Revision of the Income Tax Act (Act No. 13 of 2025) was enacted by the Japanese Diet on March 31, 2025, and the Special Defense Corporation Tax will be imposed from consolidated fiscal years beginning on or after April 1, 2026.

As a result, the effective statutory tax rates used to calculate deferred tax assets and deferred tax liabilities have been changed for temporary differences expected to be eliminated in the fiscal years beginning on or after January 1, 2027.

The effect of this change in the tax rate on profit or loss for the fiscal year under review is immaterial.

(Notes on segment information)

[Segment information]

1. Information on net sales, profit or loss, assets, liabilities, and other items by reporting segment
Previous fiscal year (January 1, 2024 to December 31, 2024)

(Unit: Millions of yen)

	Food manufacturing and sales business	Retail business	Total	Adjustments	Amount recorded on the consolidated financial statements
Net sales					
Goods to be transferred at one point in time	35,580	-	35,580	-	35,580
Revenue from contracts with customers	35,580	-	35,580	-	35,580
Net sales to external customers	35,580	-	35,580	-	35,580
Intersegment net sales and transfers	-	-	-	-	-
Total	35,580	-	35,580	-	35,580
Segment profit	2,917	-	2,917	-	2,917
Segment assets	19,284	-	19,284	-	19,284
Segment liabilities	10,899	-	10,899	-	10,899
Other items					
Depreciation	832	-	832	-	832
Increase in property, plant and equipment, and intangible assets	4,526	-	4,526	-	4,526

Fiscal year under review (January 1, 2025 to December 31, 2025)

(Unit: Millions of yen)

	Food manufacturing and sales business	Retail business	Total	Adjustments (Notes) 1.	Amount recorded on the consolidated financial statements (Notes) 2.
Net sales					
Goods to be transferred at one point in time	36,124	2,481	38,605	-	38,605
Revenue from contracts with customers	36,124	2,481	38,605	-	38,605
Net sales to external customers	36,124	2,481	38,605	-	38,605
Intersegment net sales and transfers	17	0	17	(17)	-
Total	36,142	2,481	38,623	(17)	38,605
Segment profit	3,080	66	3,147	(545)	2,601
Segment assets	18,003	3,714	21,717	133	21,850
Segment liabilities	9,843	1,960	11,804	-	11,804
Other items					
Depreciation	1,002	41	1,044	2	1,047
Increase in property, plant and equipment, and intangible assets	855	42	897	135	1,033

(Notes) 1. Adjustments to segment profit include corporate expenses of 545 million yen that are not allocated to reportable segments. Corporate expenses are mainly general and administrative expenses that do not belong to the reportable segments.

2. Segment profit is adjusted to ordinary profit in the consolidated statement of income.

2. Information on assets by reportable segment

In the fiscal year under review, three companies are included in the scope of consolidation due to the newly acquired shares of Hamashin Corporation and its consolidated subsidiaries, Ajino-Hamato Co., Ltd. and Tobei Corporation.

As a result, the amount of assets of reportable segments in the fiscal year under review increased by 3,714 million yen in the retail business compared to the end of the previous fiscal year.

3. Matters related to changes in reportable segments, etc.

The Group previously had a single reportable segment, the food manufacturing and sales business. However, three companies are included in the scope of consolidation due to the April 2025 new acquisition of shares of Hamashin Corporation and its consolidated subsidiaries, Ajino-Hamato Co., Ltd. and Tobei Corporation. As a result, the Company has revised its business segment classification method and changed its reportable segments to the food manufacturing and sales business and retail business.

In addition, effective from the fiscal year under review, for the purpose of more accurately managing the results of each segment, a portion of expenses previously allocated to the food manufacturing and sales business are now included in adjustments as corporate expenses that do not belong to any reportable segment.

The segment information for the previous fiscal year is presented based on the classification after the change.

4. Information on impairment loss on non-current assets or goodwill by reportable segment

(Significant gain on bargain purchase)

In the retail business segment, the Group has recognized a gain on bargain purchase due to the new acquisition of shares of Hamashin Corporation and its consolidated subsidiaries, Ajino-Hamato Co., Ltd. and Tobei Corporation.

The amount of gain on bargain purchase generated in this business is 612 million yen because the allocation of the acquisition cost was completed during the fiscal year under review. Gain on bargain purchase is not included in the above segment profit because it is extraordinary income.

(Revenue recognition)

Information on the breakdown of revenue from contracts with customers is presented in “Notes (Segment information).”

(Per share information)

	Previous fiscal year (January 1, 2024 to December 31, 2024)	Fiscal year under review (January 1, 2025 to December 31, 2025)
Net assets per share	471.68 yen	565.11 yen
Basic earnings per share	94.80 yen	139.96 yen
Diluted earnings per share	92.23 yen	136.26 yen

(Notes) 1. The Company implemented a stock split at a ratio of 3 shares per share on January 1, 2025. Net assets per share, basic earnings per share, and diluted earnings per share are calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

2. The basis for calculation of basic earnings per share and diluted earnings per share are as follows.

	Previous fiscal year (January 1, 2024 to December 31, 2024)	Fiscal year under review (January 1, 2025 to December 31, 2025)
(1) Basic earnings per share		
(Basis for calculation)		
Profit attributable to owners of parent (millions of yen)	1,685	2,488
Amount not attributable to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent relating to common stock (millions of yen)	1,685	2,488
Average number of shares for common stock during the period (shares)	17,778,303	17,778,303
(2) Diluted earnings per share		
(Basis for calculation)		
Adjusted profit attributable to owners of parent (Millions of yen)	-	-
Increase in common stock (shares)	494,030	482,259
Summary of dilutive shares that were not included in the calculation for diluted earnings per share because they were not dilutive	-	-

(Business combinations)

At a meeting of the Board of Directors held on February 13, 2025, the Company resolved to acquire all shares of Hamashin Corporation (hereinafter referred to as the “Acquired Subsidiary”) and make it a subsidiary, and entered into a share transfer agreement on the same date.

Ajino-Hamato and Tobei Corporation, which are wholly owned subsidiaries of the Acquired Subsidiary, will become sub-subsidiaries of the Company.

1. Overview of business combination

(1) Name and business lines of the acquired company

Name: Hamashin Corporation

Business lines: Sale of processed seafood, restaurant business, etc.

(2) Main reason for business combination

The Group welcomes the addition of “Ajino-Hamato,” a brand that has contributed to the growth of Japanese processed seafood over many years. By combining the very strong brand recognition, product appeal, and sales network of the Acquired Subsidiary with the Group’s management expertise we will be able to deliver more diverse “great seafood” to our customers.

(3) Date of business combination

April 1, 2025

(4) Legal form of business combination

Share acquisition

(5) Name of the company after the combination

No change.

(6) Share of voting rights acquired

100%

(7) Main basis for determining the acquiring company

The acquisition of shares by the Company in exchange for cash.

2. Performance period of the acquired company included in the consolidated statement of income

April 1, 2025 to December 31, 2025

3. Breakdown of the acquisition cost of the acquired company and the consideration by type of consideration

Consideration for acquisition (cash) 1,102 million yen

Acquisition cost 1,102 million yen

4. Breakdown and amounts of major acquisition-related expenses

Advisory fees, etc. 19 million yen

5. Amount and cause of gain on bargain purchase

(1) Amount of gain on bargain purchase

612 million yen

Note that the amount of gain on bargain purchase was a tentatively calculated amount because the allocation of the acquisition cost had not been completed as of September 30, 2025. However, it has been finalized as of December 31, 2025.

(2) Cause

Since the acquisition cost was less than the net amount allocated to the assets received and liabilities assumed, the difference was recognized as a gain on bargain purchase.

6. Amounts of assets received and liabilities assumed on the date of business combination and their breakdown

Current assets	621 million yen
Non-current assets	2,955
<u>Total assets</u>	<u>3,577</u>
Current liabilities	566
Non-current liabilities	1,295
<u>Total liabilities</u>	<u>1,861</u>

(Significant subsequent events)

(Merger between consolidated subsidiaries)

At a meeting of the Board of Directors held on November 13, 2025, the Company resolved to merge its wholly-owned subsidiaries Ajino-Hamato Co., Ltd., Hamashin Corporation, and Tobei Corporation, with Ajino-Hamato Co., Ltd. as the surviving company, with an effective date of January 1, 2026, and merged the three companies on January 1, 2026.

1. Overview of transaction

(1) Name and business of the combined company

	Surviving company	Absorbed company	Absorbed company
Name of company	Ajino-Hamato Co., Ltd.	Hamashin Corporation	Tobei Corporation
Business description	Processed seafood manufacturing business, retail sales business, restaurant business	Real estate management business	Processed seafood manufacturing business

(2) Date of business combination

January 1, 2026

(3) Legal form of business combination

Merger by absorption, with Ajino-Hamato Co., Ltd. as the surviving company and Hamashin Corporation and Tobei Corporation as the absorbed companies

(4) Name of the company after the combination

Ajino-Hamato Co., Ltd.

(5) Other matters concerning the overview of the transaction

The purpose of this merger is to integrate previously dispersed functions to enable faster decision-making and flexible business operations, and achieve sustainable growth.

(Merger between consolidated subsidiaries)

At a meeting of the Board of Directors held on November 13, 2025, the Company resolved to merge its wholly-owned subsidiaries STI Foods, Inc. and STI Delica, Inc., with STI Foods, Inc. as the surviving company, with an effective date of January 1, 2026, and merged the two companies on January 1, 2026.

1. Overview of transaction

(1) Name and business of the combined company

	Surviving company	Absorbed company
Name of company	STI Foods, Inc.	STI Delica, Inc.
Business description	Processed seafood manufacturing business	Processed seafood manufacturing business

(2) Date of business combination

January 1, 2026

(3) Legal form of business combination

Merger by absorption, with STI Foods, Inc. as the surviving company and STI Delica, Inc. as the absorbed company

(4) Name of the company after the combination

STI Foods, Inc.

(5) Other matters concerning the overview of the transaction

The purpose of this merger is to optimize management resources, stabilize business operations, reduce redundant tasks and management costs, strengthen the organizational structure for manufacturing and management, and improve quality.