

Results Briefing Materials for the Fiscal Year Ended December 31, 2024

Standard Market of the Tokyo Stock Exchange (Securities Code: 2932)



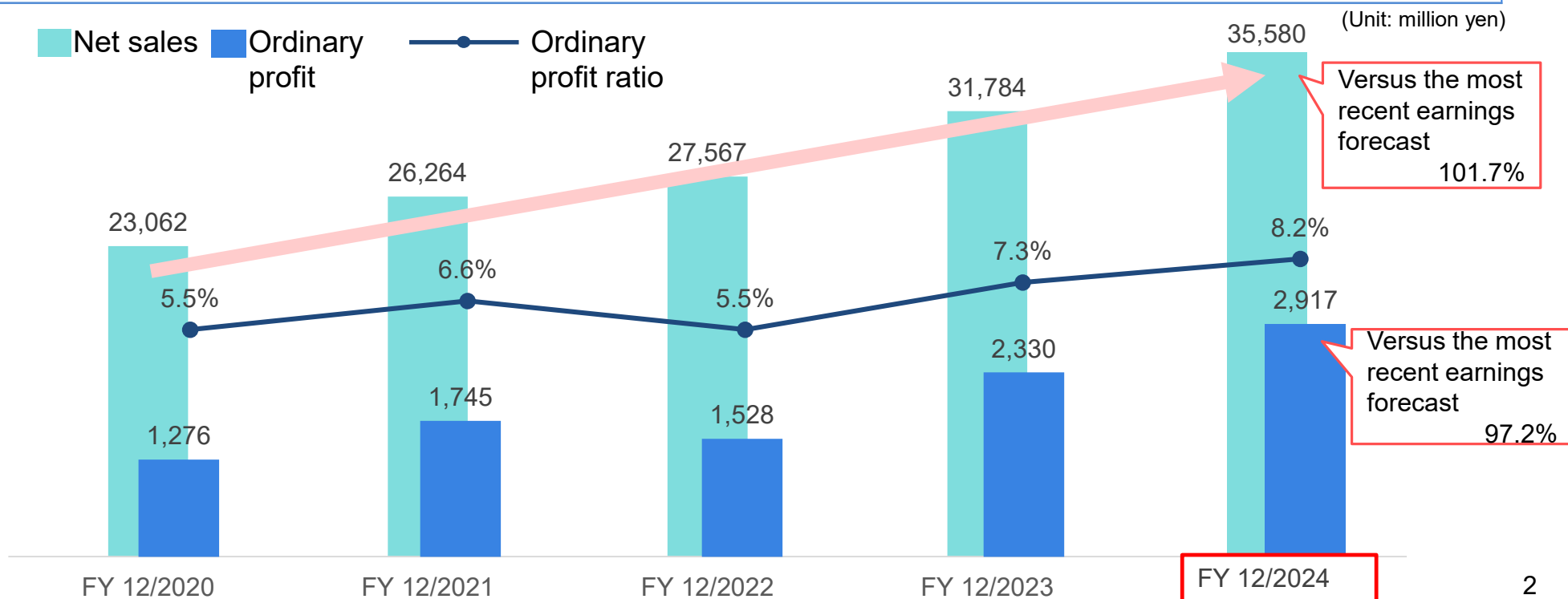
IR e-mail distribution registration (Japanese only)
<https://www.magicalir.net/2932/mail/index.php>

Overview of Financial Results

Trends in Full-year Earnings

- Increase in sales volume due to the effect of introducing new products and repeat purchases of existing daily prepared products
- Profit ratio increased due to improved production efficiency as a result of the increase in sales volume

	Net sales	Ordinary profit	Profit attributable to owners of parent
FY 12/2024	35,580 million yen	2,917 million yen	1,685 million yen
FY 12/2023	31,784 million yen	2,330 million yen	1,562 million yen
FY 12/2022	27,567 million yen	1,528 million yen	1,006 million yen



Consolidated Statement of Income

	FY 12/2023		FY 12/2024		(Unit: million yen)	
	Results	vs. Net sales	Results	vs. Net sales	YoY	Change
Net sales	31,784	-	35,580	-	111.9%	3,796
Cost of sales	22,952	72.2%	25,627	72.0%	111.7%	2,674
Gross profit	8,831	27.8%	9,953	28.0%	112.7%	1,121
Selling, general and administrative expenses	6,525	20.5%	7,052	19.8%	108.1%	526
Operating profit	2,306	7.3%	2,901	8.2%	125.8%	595
Ordinary profit	2,330	7.3%	2,917	8.2%	125.2%	587
Extraordinary losses	47	0.1%	272	0.8%	574.2%	225
Profit attributable to owners of parent	1,562	4.9%	1,685	4.7%	107.8%	122
EPS (yen) [Reflects the stock split*]	263.72 [87.91]	-	284.40 [94.80]	-	107.8%	20.68 [6.89]

* The Company implemented a 1:3 stock split with the effective date as January 1, 2025.

FYE 12/2024: This is mostly impairment losses involving non-current assets centering on production facilities for room-temperature food (canned food, etc.) at STI Miyagi, Inc.

Consolidated Balance Sheet and Consolidated Statement of Cash Flows

(Unit: million yen)

Consolidated balance sheet

	As of December 31, 2023	As of December 31, 2024	YoY	Change
Current assets	10,294	11,064	107.5%	770
Of which, cash and deposits	4,046	4,226	104.4%	179
Non-current assets	4,807	8,219	171.0%	3,412
Of which, property, plant and equipment	4,223	7,651	181.2%	3,427
Total assets	15,102	19,284	127.7%	4,182
Total liabilities	7,655	10,899	142.4%	3,243
Current liabilities	6,161	7,560	122.7%	1,398
Non-current liabilities	1,494	3,339	223.4%	1,844
Total net assets	7,446	8,385	112.6%	939
Total liabilities and net assets	15,102	19,284	127.7%	4,182

Shareholder's equity ratio: As of December 31, 2023: 49.3%

As of December 31, 2024: 43.5%

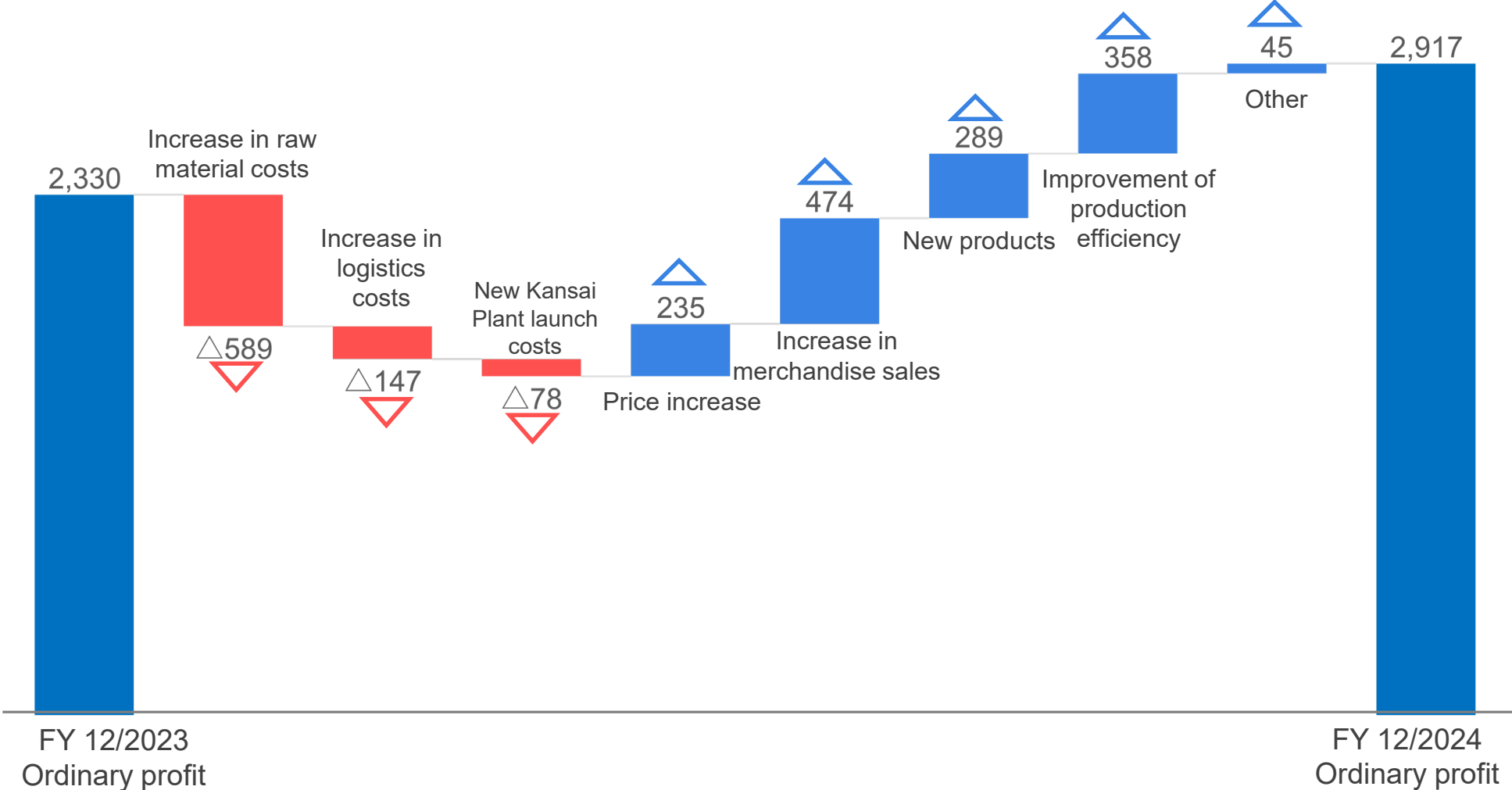
Consolidated statement of cash flows

(Unit: million yen)

	FY 12/2023	FY 12/2024	Change
Cash provided by (used in) operating activities	3,065	3,231	165
Cash provided by (used in) investing activities	(459)	(3,489)	(3,030)
Cash provided by (used in) financing activities	(1,258)	417	1,675
Cash and cash equivalents at end of year	3,996	4,176	179

Analysis of Changes in Ordinary Profit

- The price of fresh vegetables used for raw materials in cup deli products increased suddenly in 4Q
- The increase in sales volume and improvements to production efficiency resulted in increased profit under conditions in which it is difficult to raise prices



Priority Measures

Strengthening Production Capacity in Japan

- **Production capacity increased by over 20% due to year-round operation at the new Kansai Plant and the STI Miyagi daily production line**
 - ✓ No need to adjust production during the surge in demand due to sales campaigns and media exposure
 - ✓ Build optimal logistics in Kansai, Chugoku and Shikoku regions
 - ✓ Optimize production by selecting and concentrating production sites

Developing New Product Categories

- **Horizontal rollout by combining package and sales temperature range**
 - ✓ Strengthen existing merchandise groups by making new products in different categories

Ex: Such as creating retail goods for the rice ball filling series

Strengthening Capability to Directly Sell to Consumers and Develop Products

Acquire Ajino-Hamato stock and make into a subsidiary

Expanding Retail Using a Brand That Has 100 Years of History Specializing in Fish

■ Global expansion of a long-established brand

- ✓ Using a brand that has been highly praised for over 100 years, we will expand Japanese food retail into the global market

■ Raw materials procurements and manufacturing synergy

- ✓ Injecting the Group's strengths in procurement, technology and production into Ajino-Hamato's specialty products will promote future business expansion

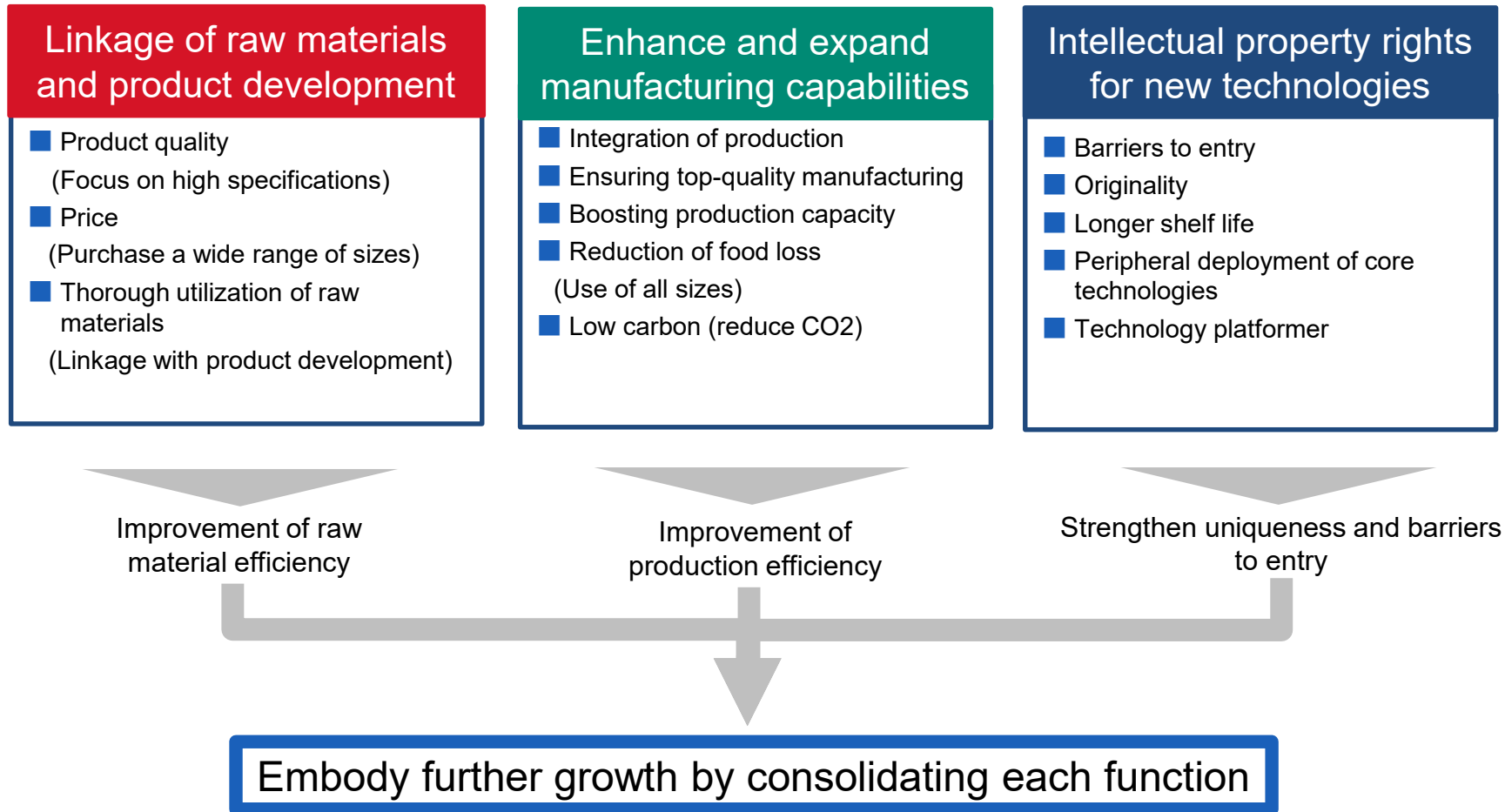


* Photo illustrating the product



Qualitative Priority Measures

- Creating a stronger corporate group by pursuing contributions to business through functions related to raw materials, development, production, and intellectual property



- Development of global products and new categories of retail products combining temperature ranges based on domestically popular products

Fiscal year ending December 31, 2025 Earnings Forecast

Trends in Results So Far and Future Plans

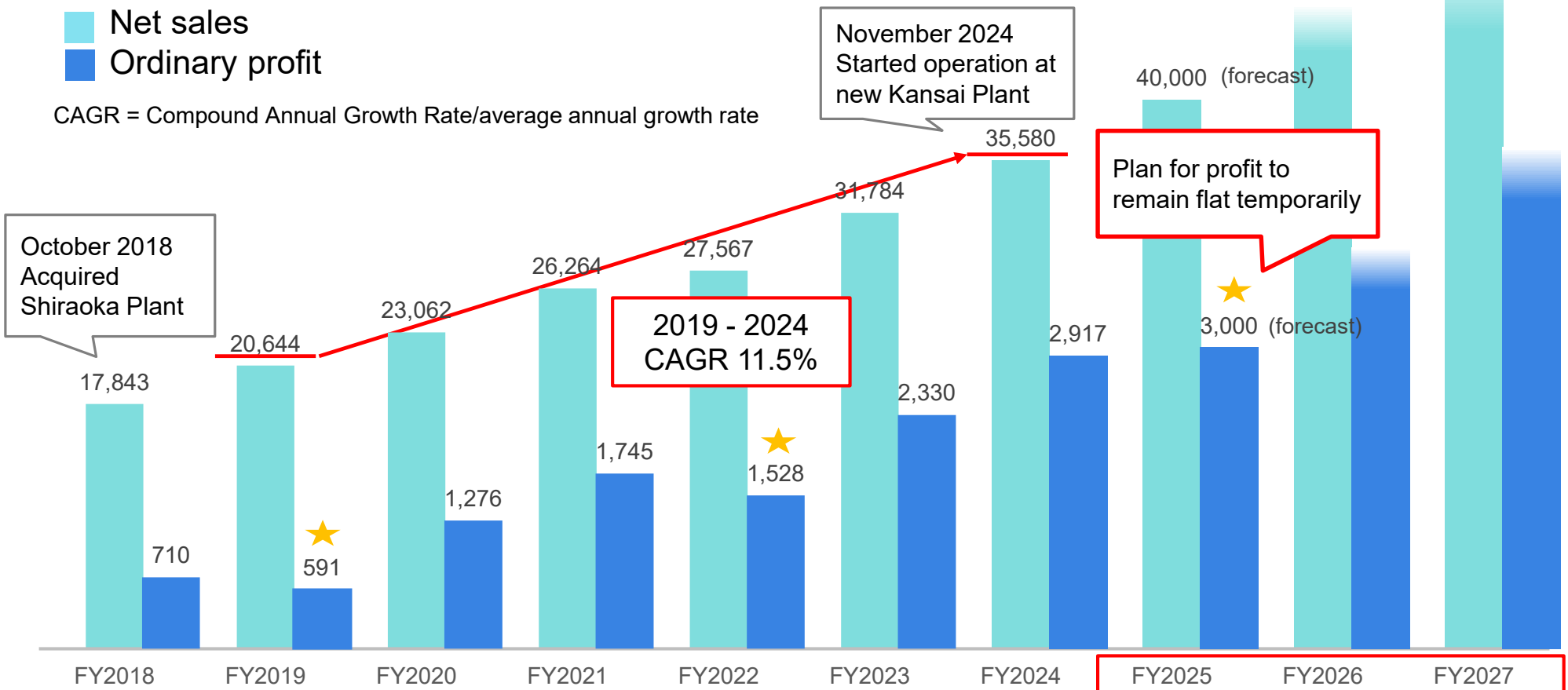
- We will work on restructuring the production system and actively develop new products to accompany operation at the new Kansai Plant, and 2025 will be the year in which we implement checks and corrections to continue growing the entire business
- While net sales continue to grow in a linear manner, profit growth is planned to remain flat temporarily

* In addition, the following graph showing growth has not been updated with the impact on results of adding Ajino-Hamato to the Group

(Unit: million yen)

■ Net sales
■ Ordinary profit

CAGR = Compound Annual Growth Rate/average annual growth rate



Growth image

Full-year Earnings Forecast for the Fiscal Year Ending December 31, 2025

- Increase in earnings due to year-round operation at the new Kansai Plant and the STI Miyagi daily production line
- Position 2025 as a year of checks and corrections for future profit growth, and profit is planned to remain flat temporarily

* The following figures have not been updated with the impact on results of adding Ajino-Hamato to the Group

	FY 12/2024		FY 12/2025		YoY
	Results	vs. Net sales	Earnings forecast	vs. Net sales	
Net sales	35,580	-	40,000	-	112.4%
Operating profit	2,901	8.2%	3,000	7.5%	103.4%
Ordinary profit	2,917	8.2%	3,000	7.5%	102.8%
Profit attributable to owners of parent	1,685	4.7%	1,950	4.9%	115.7%
EPS (yen)	94.80	-	109.68	-	115.7%

Shareholder Return Policy

Shareholder Return Policy

- Implemented a **1:3 stock split** with the effective date as January 1, 2025
- For fiscal year ended December 31, 2024, a year-end dividend of 80 yen is scheduled and together with the interim dividend this is a **total of 120 yen**
- For fiscal year ending December 31, 2025, the same amount as the previous year at **40 yen per year** (interim dividend of 20 yen and year-end dividend of 20 yen)

[Dividends]	FY 12/2023	FY 12/2024	FY 12/2025 [Before reflecting the stock split]	FY 12/2025 [After reflecting the stock split]
Annual dividends per share	90 yen (Common dividend of 70 yen) (Commemorative dividend of 20 yen)	120 yen (Interim dividends of 40 yen) (Year-end dividend of 80 yen)	120 yen (Interim dividends of 60 yen) (Year-end dividend of 60 yen)	40 yen (Interim dividends of 20 yen) (Year-end dividend of 20 yen)

- Policy to continue the shareholder benefit once a year
[Shareholder benefit program]

One time on the last day of December every year, shareholders who own at least three units (300 shares) will receive the Company's products exclusively for shareholders

* Shareholders who hold 300 shares or more as recorded in the Company shareholder's register as of the end of December, and have held them for one year or longer are entitled to receive this benefit.



APPENDIX



Company Profile / Business Description

Company profile

Name of company	STI Foods Holdings, Inc.	Establishment	November 2017 (founded in December 1988)
Headquarters	1-15-14, Minami Aoyama, Minato-ku, Tokyo	Number of employees	276 (1,039 other temporary employees) * As of the end of December 2024, the number of temporary employees is the number of people working a full-time equivalent of eight hours per day.
Representative	Yutaka Jumi, President and Representative Director	Listing date	September 25, 2020 (Standard Market of the Tokyo Stock Exchange)

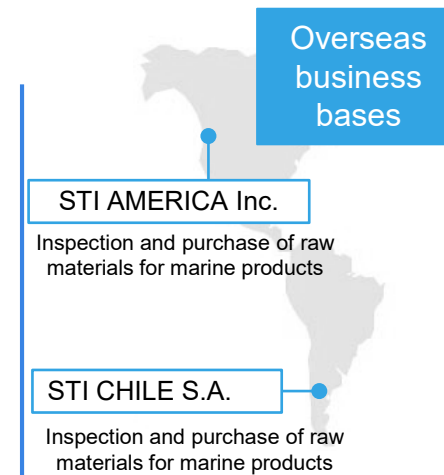
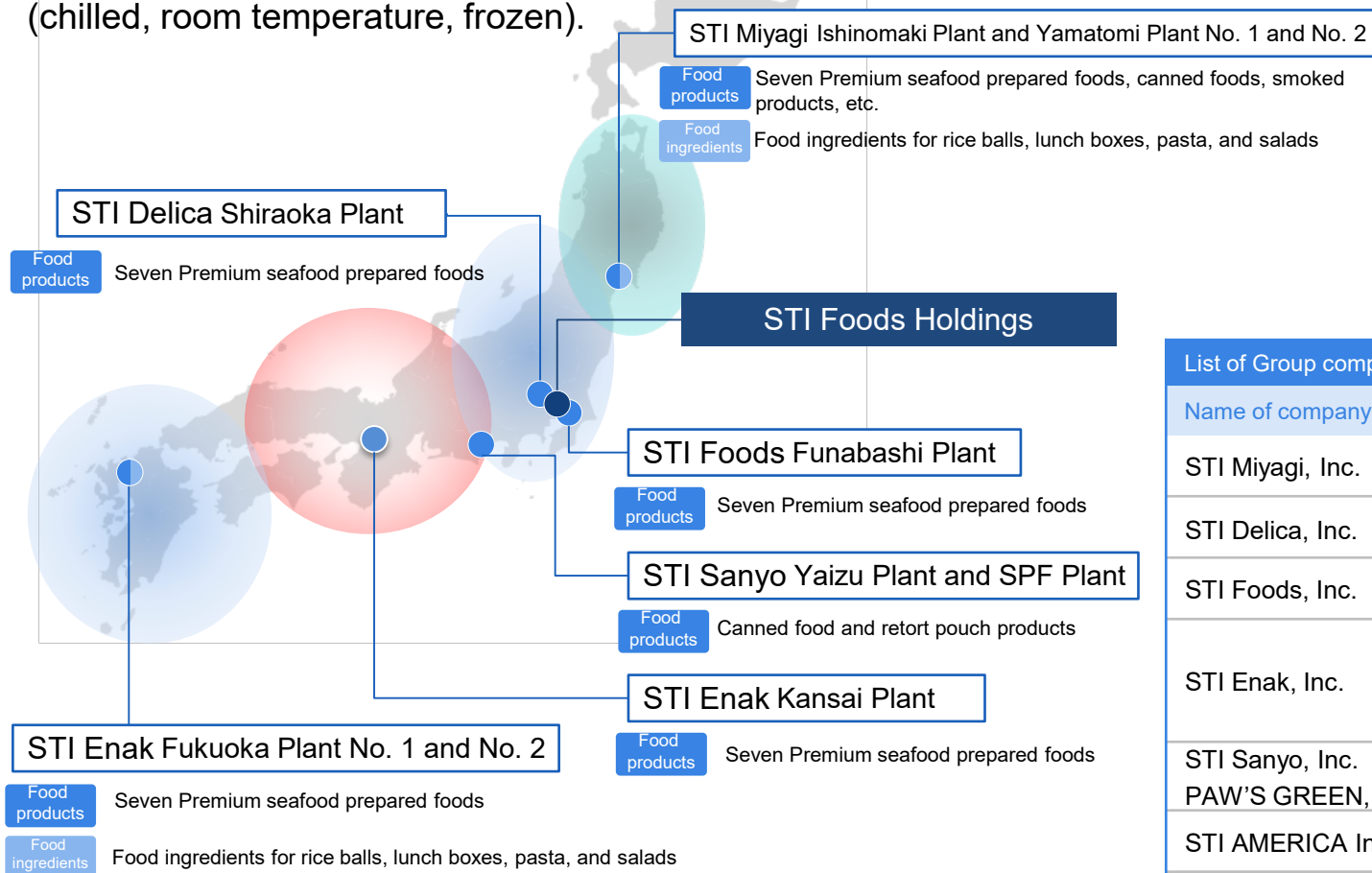
Business description

The Group is engaged in the food manufacturing and sales business, which includes everything from the procurement of raw materials for marine products to manufacturing and sales.

Product category	Description of major operations	Company	Examples of manufactured products
Foods	Manufacturing and sales of prepared marine products mainly for convenience stores, and manufacturing and sales of canned food and retort pouch products using marine raw materials, etc.	The Company STI Foods STI Delica STI Enak STI Miyagi STI Sanyo STI AMERICA Inc. STI CHILE S.A.	
Food ingredients	Manufacturing and sales of marine products mainly used in rice balls, lunch boxes, pasta, salads for convenience stores to daily prepared foods manufacturers through food ingredients trading companies	The Company STI Enak STI Miyagi STI AMERICA Inc. STI CHILE S.A.	

Group and Production Bases

- The Group is formed of STI Foods Holdings, six consolidated subsidiaries, one sub-subsidiary and one non-consolidated subsidiary.
- Each plant has its own specialties and products, and by combining them, the manufacturing system can handle any of the three temperature ranges (chilled, room temperature, frozen).



List of Group companies	
Name of company	Location
STI Miyagi, Inc.	(Production plant) Ishinomaki City, Miyagi Prefecture
STI Delica, Inc.	(Production plant) Shiraoka City, Saitama Prefecture
STI Foods, Inc.	(Production plant) Funabashi City, Chiba Prefecture
STI Enak, Inc.	(Production plant) Itoshima City, Fukuoka Prefecture (Production plant) Izumisano City, Osaka Prefecture
STI Sanyo, Inc. PAW'S GREEN, Inc.	(Production plant) Yaizu City, Shizuoka Prefecture
STI AMERICA Inc.	(Headquarters) Washington State, US
STI CHILE S.A. *	(Headquarters) Los Lagos Region, Chile

*: Non-consolidated subsidiary

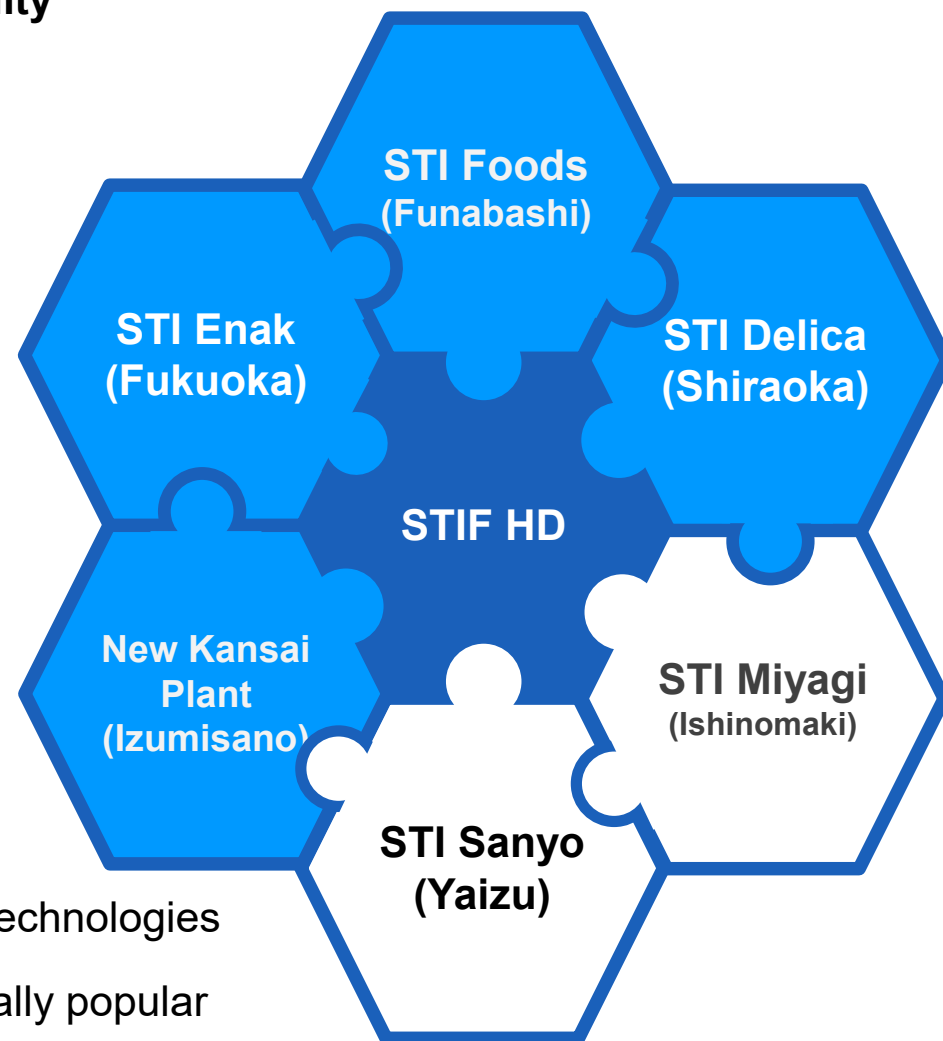
Creation of Production Processes and Technologies Through Group Synergies

Achieving both good taste and economic rationality

- No compromise on quality of raw materials
(no specification downgrades)
- Optimization of production through multiple sites
Selection and concentration of production products
- Creation of added value through **crossover** of Group companies' technologies

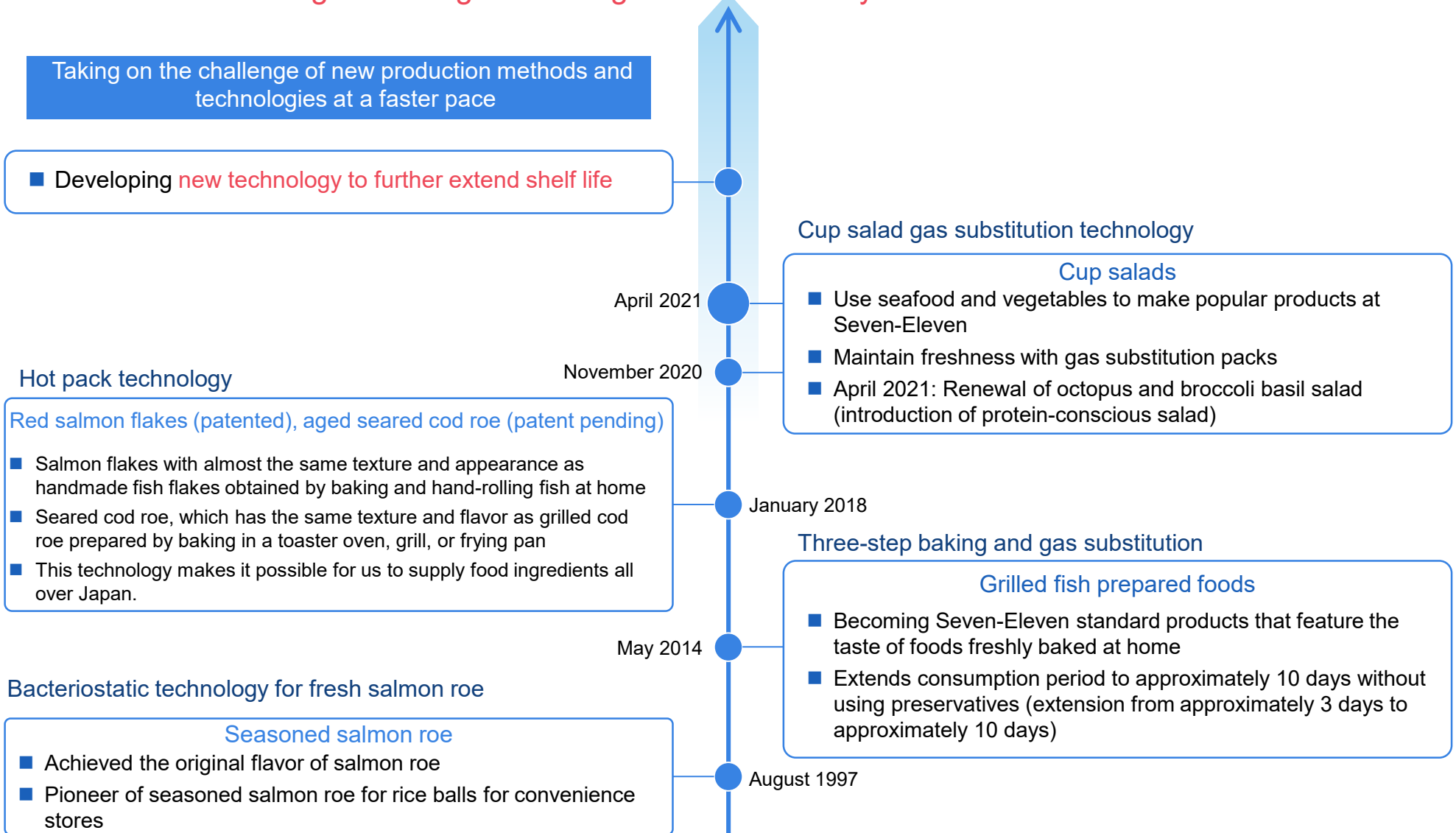


- Creation of new product groups through crossover technologies
- Development of global products based on domestically popular products



Strengths of the Business: Manufacturing Technologies and Patents

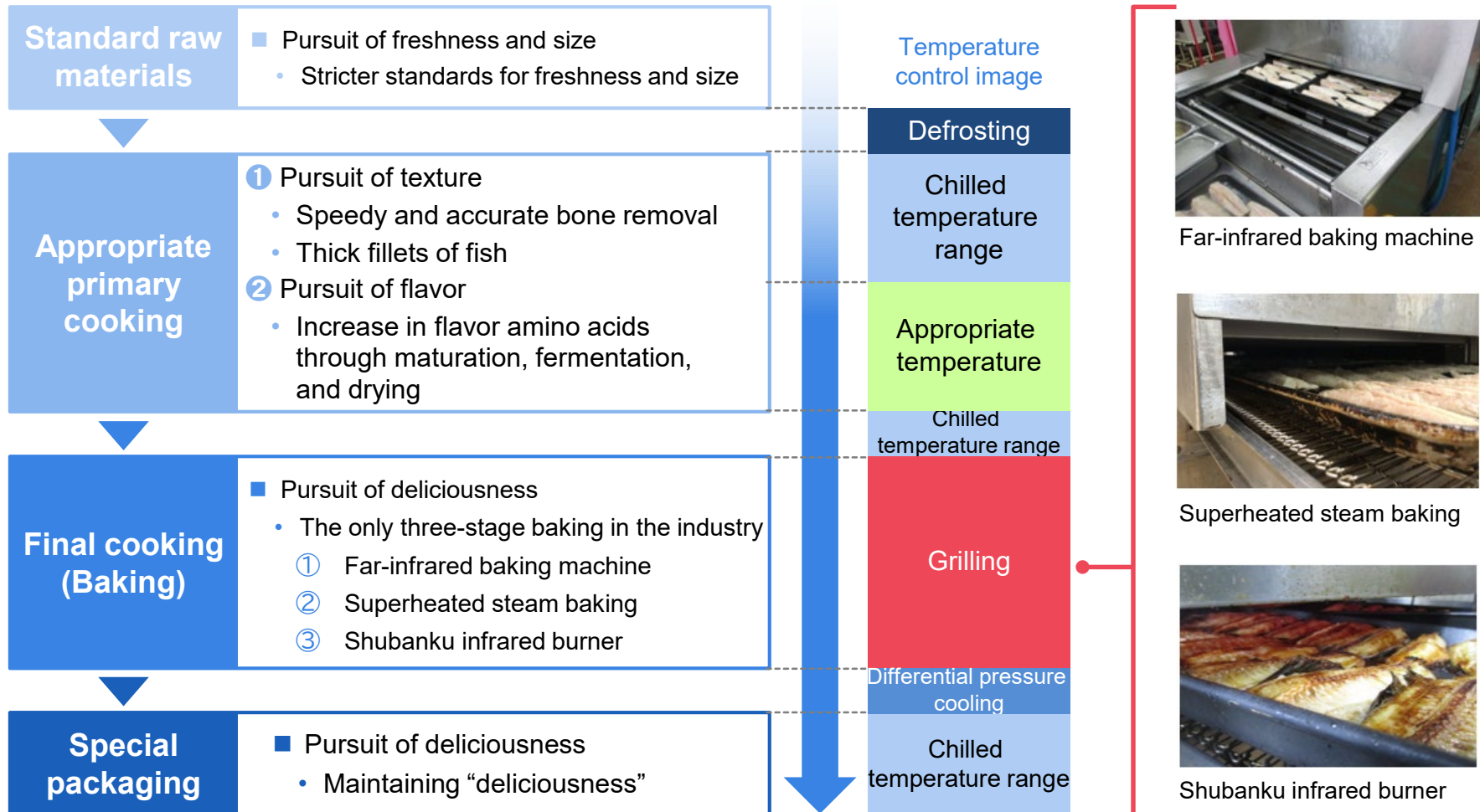
Researching and developing new manufacturing methods and unique marine food products that do not exist in the world **using technologies with high barriers to entry**



Strengths of the Business: Improvement of Taste Quality through Integrated Production

- **Thorough temperature control** and **reduction in the number of thawing cycles** in the integrated production (cooking) process **to improve the quality of taste**

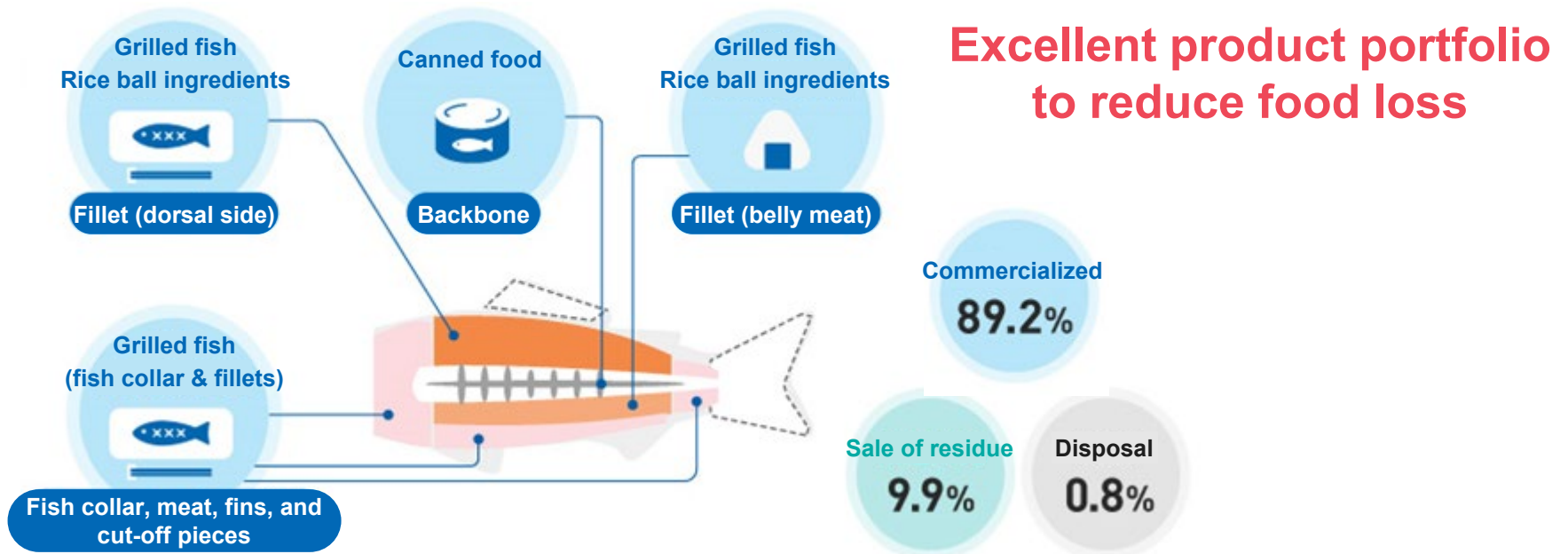
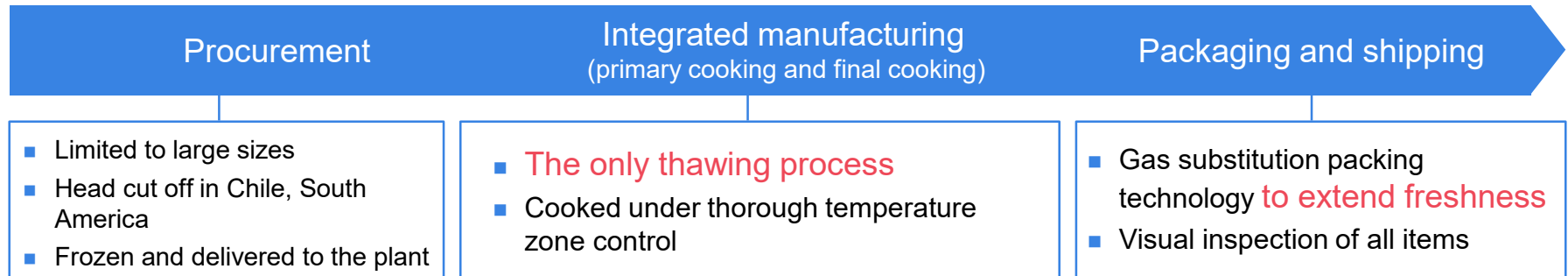
Manufacturing process for grilled fish prepared foods



Strengths of the Business: Balancing Food Loss and Cost Reduction


















- Reduce raw material costs **by thoroughly addressing food loss** with a product portfolio that uses up all ingredients.

■ Integrated production system that achieves both deliciousness and reduced raw material costs





We will reduce the burden on the environment and society in all parts of the value chain, from procurement, processing, distribution, consumption, and disposal, and work to solve social issues through business.

Social issues	Initiatives	Targets
Responsibility to deliver the blessings of the sea	Procurement of sustainable raw materials Investment in land-based aquaculture	  
Mission as a food manufacturer	Reduction of food loss and food waste	  
Eco-friendly business activities	Reduction of greenhouse gas emissions	   
Disaster-stricken area recovery support	Supporting sustainable growth of local fisheries	   
Respecting human rights	Formulation of Group Human Rights Policy	  

Supporting recovery efforts in collaboration with local high school students in Ishinomaki, Miyagi Prefecture, which was severely affected by the Great East Japan Earthquake

2022 - 2023 Project

In Japan's fisheries industry, there is a serious shortage of new workers. Miyagi Prefecture Suisan High School is addressing various industry challenges with a focus on training this next generation, while STI Miyagi is promoting the charm of Ishinomaki through food. Together, they launched a project in May 2022 to help revitalize the Ishinomaki area.

After a year of preparation, they co-developed a product called Kinka Canned Mackerel with an "All Miyagi" theme. It features prefecture-sourced ingredients, from the Kinka mackerel to the water, salt, and miso used in the product. Even the cans are local. The product was launched in the Tohoku region in February 2023.



2023 - 2024 Project

Since the canning manufacturing equipment at Suisan High School was out of service making it difficult to conduct training at the high school, we loaned some of STI Miyagi plant equipment.

We had all the students manufacture "canned seasoned saury" using the actual equipment used at the plant.



STI Foods Holdings Group understands and supports the minimum principles and standards that should be adhered to as outlined in the United Nations International Bill of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work.

We conduct our business in accordance with the principles and standards of the United Nations Guiding Principles on Business and Human Rights, and the National Action Plan on Business and Human Rights (2020-2025) set forth by the Japanese government.

Group Human Rights Policy

STI Foods Holdings Group (below “we”) conducts our business activities utilizing domestic and international food resources to contribute to a more prosperous future for society. We do this with the support of all our stakeholders, including customers, suppliers, shareholders, communities, and employees.

The foundation of all our business activities lies in people and society.

We recognize the human rights of all people and, in fulfilling our responsibility to respect those rights, we have established our STI Foods Holdings Group Human Rights Policy.

This policy serves as the foundation for all STI Foods Holdings Group business activities and embodies our corporate motto of “fairness and honesty.”

In implementing this policy, we will collaborate with all of our stakeholders to co-create a sustainable society where human rights are respected.

* See our corporate site for details (available in Japanese only).

<https://www.stifoods-hd.com/ja/news.html>



[Precaution]

The forward-looking statements contained in this document are based on management's assumptions and beliefs in light of the information currently available, and are subject to change due to macroeconomic conditions and industry trends. Accordingly, please be aware that there are risks and uncertainties that could cause actual results to differ materially from those discussed in the forward-looking statements.



STI Foods Holdings, Inc.