ANNUAL REPORT 2025

YEAR ENDED MARCH 31, 2025

Toyo Suisan Kaisha, Ltd.

Smiles for All.

"Food that brings smiles to faces" —

is the message of the Maruchan logo and what the Toyo Suisan Group is all about:

delivering the finest quality, best-tasting food to dining tables everywhere.

Delicious food that brings smiles to faces, and with the same assurance of quality every time.

"Smiles for All." — in everything we do. That's the Toyo Suisan way.

Since its debut in 1962, the Maruchan logo has become widely recognized and loved as the symbol for Toyo Suisan's processed foods among every Japanese age group ranging from small children to the elderly. In 1972, Toyo Suisan established a local subsidiary in the United States and began manufacturing and selling products for North America. Accordingly, products featuring the Maruchan label are highly acclaimed for their flavor both domestically and overseas.

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Forward-looking Statements

In this annual report, statements other than historical facts are forward-looking statements that reflect our plans and expectations. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results and achievements to differ materially from those anticipated in these statements.

TO OUR SHAREHOLDERS

The fiscal year ended March 31, 2025 (FY2024) was the final year of the three-year medium-term management plan (from FY2022 to FY2024). Net sales exceeded ¥500 billion for the first time, operating income was ¥75.5 billion, and net income (net income attributable to owners of parent) also reached record highs, significantly exceeding the initial plan. On behalf of the Toyo Suisan Group, I would like to thank all our employees for their hard work and express our gratitude to all our stakeholders for their support.
The new three-year medium-term management plan (from FY2025 to FY2027) continues to pursue the vision of the Toyo Suisan Group "to make our stakeholders smile by enhancing corporate value." Following our basic strategies of "Continuity and Succession" and "Transformation and Evolution," we have started on this new plan with the aim of achieving the following targets: value enhancement in both the customer and capital markets, and net sales of ¥600 billion, operating income of ¥82 billion, and ROE of 10% or higher in the final year of the medium-term management plan (FY2027).

Operating results for the year ended March 2025

During the fiscal year ended March 31, 2025, the conditions in the Japanese economy gradually recovered, although some aspects of the economy appear sluggish. Looking ahead, although moderate recovery in the economy is expected to continue, in part due to the effect of various policies under an improving employment and income environment, it is necessary to closely monitor the impact of rising prices, U.S. policy trends and fluctuations in financial and capital markets, etc.
Under these circumstances, the Toyo Suisan Group (hereafter, the "Group") has remained committed to its mission "to contribute to society through foods" and "to provide safe and secure foods and services to customers" under the corporate slogan of "Smiles for All." The Group continued to implement further cost reductions and promoted aggressive sales activities in its efforts to face an increasingly competitive sales environment.
As a result, net sales were ¥507,601 million (up 3.8% year on year), operating income was ¥75,489 million (up 13.2% year on year), and net income attributable to owners of parent was ¥62,867 million (up 13.0% year on year) for the current fiscal year.

June 2025

Noritaka Sumimoto
Representative Director and President

CONSOLIDATED FINANCIAL HIGHLIGHTS

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES
YEARS ENDED MARCH 31, 2024 AND 2025

		Millions of yen		Thousands of U.S. dollars (Note 1)
		2024	2025	2025
For the year:	Net sales	¥489,013	**¥507,601**	**$3,394,643**
	Operating income	66,696	**75,489**	**504,842**
	Net income attributable to owners of parent	55,654	**62,867**	**420,431**
At year-end:	Total assets	¥570,995	**¥594,978**	**$3,978,987**
	Total net assets	474,535	**493,644**	**3,301,304**
Per share of common stock:	Net income	¥545.0	**¥626.4**	**$4.19**
(in yen and U.S. dollars)	Cash dividends	170.0	**200.0**	**1.34**

Dollar amounts represent translations at the rate of ¥149.53 = US$1, the rate prevailing on March 31, 2025.

REVIEW OF OPERATIONS

Seafood Segment

Sales
30,334
million yen

In the Seafood Segment, sales increased mainly due to growth in sales volume attributable to sales activities actively targeting existing customers, despite a rise in raw material prices due to the weak yen. As a result, segment sales were ¥30,334 million (up 2.6% year on year) and segment income was ¥855 million (up 113.8% year on year), supported mainly by the increased sales volume of highly profitable products and also by some products that achieved a reduction in purchasing costs due to their stabilized raw material prices.

Overseas Instant Noodles Segment

Sales
229,277
million yen

In the Overseas Instant Noodles Segment, although sales growth in the U.S. was sluggish due to economic uncertainty in the second half of the fiscal year and aggressive sales activities by competitors, there has been a recovery trend recently, resulting in a year-on-year increase for the full fiscal year. In Mexico, despite price revisions and a shift to paper cups, sales of cup-type noodles were steady and sales of bag-type noodles performed well as a result of efforts to expand sales. Our factories have been able to maintain a stable supply throughout the year. As a result, segment sales were ¥229,277 million (up 3.6% year on year). Segment income was ¥54,412 million (up 17.5% year on year) mainly due to a decrease in raw material costs and an increase in sales because of price revisions and a growth in sales volume despite increases in transportation costs and personnel expenses, among others.

Domestic Instant Noodles Segment

Sales
103,034
million yen

In the Domestic Instant Noodles Segment, sales performed well, mainly for our signature products, due to the penetration of revised prices and other factors. In cup-type noodles, sales increased mainly because *Akai Kitsune Udon* and *Midori no Tanuki Ten Soba*, our signature products, saw steady sales, and the effect from initiatives regarding the *Menzukuri* series, including a renewal launch in September. In bag-type noodles, the *Maruchan Seimen* series saw steady sales, and sales performed well for the *Maruchan ZUBAAAN!* series, thanks to the launch of new products. As a result, segment sales were ¥103,034 million (up 2.9% year on year). Segment income was ¥9,824 million (up 1.2% year on year) mainly due to sales expansion despite an increase in personnel expenses.

Frozen and Refrigerated Foods Segment

Sales
59,831
million yen

The Frozen and Refrigerated Foods Segment remained firm due to proactive efforts to expand sales of our signature products and new product launches. In fresh noodles, in addition to promoting sales of our signature product *Maruchan Yakisoba (Three-Meal Package)* through campaigns, etc., we launched seasonal limited-edition products to stir up sales activity for the series. In other products, sales increased as sales of products with a cool, refreshing taste for the summer grew, and in udon noodle products, sales increased due to expanding demand for the *Tama Udon Noodle (Three-Meal Package)* series. In frozen foods, there was a sales growth not only in frozen noodles, but also in products for commercial use grew due to expanding demand related to industrial catering, restaurants and leisure, and sales of products for the deli food business also expanded. As a result, segment sales were ¥59,831 million (up 5.2% year on year). Segment income was ¥8,045 million (up 8.3% year on year) mainly due to sales expansion despite increases in personnel expenses, transportation costs and motive utility costs.

Processed Foods Segment

Sales
22,151
million yen

In the Processed Foods Segment, there were increases in both the sales volume and sales amount as demand increased, mainly for packaged cooked rice products. Sales of aseptically packaged cooked rice products and retort packaged cooked rice products both increased favorably, as demand for packaged cooked rice products remained high due to the impact of a rice shortage, despite the price revisions implemented in November. Sales of freeze-dried products increased mainly due to favorable sales of the *Sozai no Chikara* series, one of our signature products, and the launch new cup-type soup products in the fall and winter. As a result, segment sales were ¥22,151 million (up 9.9% year on year). Segment income was ¥28 million (down 96.2% year on year) due to an increase in raw material costs caused by soaring prices of ingredient rice despite the impact of sales expansion.

Cold-Storage Segment

Sales
25,367
million yen

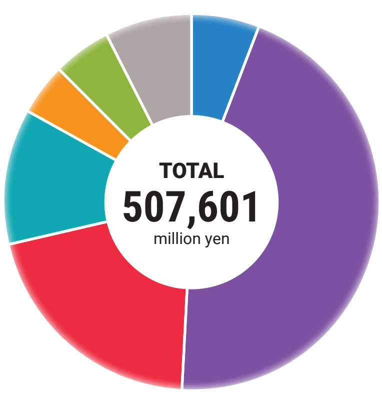
In the Cold-Storage Segment, although there was weakness in cargo movement for imports due to the impact of rising prices, the weak yen, etc., sales increased mainly due to solid results in the handling of storage, related transportation and other operations, centered on domestic products, as well as price revisions for various charges. As a result, segment sales were ¥25,367 million (up 5.7% year on year). Segment income was ¥2,274 million (down 0.4% year on year) owing to increases in depreciation due to equipment renewal, and personnel expenses, transportation costs and others due to rising prices.

Other Business Segment

Sales
37,607
million yen

The Other Business Segment consists of mainly the packed lunch/deli food business. Segment sales were ¥37,607 million (up 1.4% year on year) and segment income was ¥815 million (up 95.0% year on year).

Net Sales by Segment



1	Seafood Segment	6.0%	30,334 million yen
2	Overseas Instant Noodles Segment	45.1%	229,277 million yen
3	Domestic Instant Noodles Segment	20.3%	103,034 million yen
4	Frozen and Refrigerated Foods Segment	11.8%	59,831 million yen
5	Processed Foods Segment	4.4%	22,151 million yen
6	Cold-Storage Segment	5.0%	25,367 million yen
7	Other Business Segment	7.4%	37,607 million yen

ENVIRONMENTAL AND SOCIAL CONTRIBUTION INITIATIVES

Response to Climate Change and Mitigation

We consider the reduction of environmental burdens related to global warming, a major factor in climate change, to be one of our key issues.

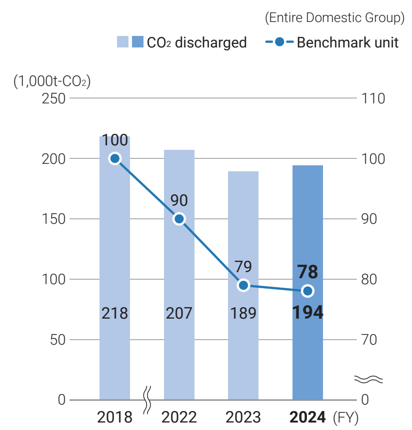
Aiming to reduce the environmental impact of our business activities, we are working to promote the acquisition of ISO 14001 and other third-party certifications for our environmental management systems. Also, based on the Toyo Suisan Group Environmental Policy revised in April 2025, we are working as a group to reduce greenhouse gas emissions.

Examples of initiatives to reduce CO_2 emissions

As part of our initiatives to reduce CO_2 emissions, we use renewable energy sources, such as solar power generation, at the Saitama Factory, Kanto Factory, and Fukushima Foods Co., Ltd., and biomass power generation at Imari Toyo Co., Ltd. In addition, for our factories and refrigerated warehouses, we are switching from heavy oil to natural gas as boiler fuel and upgrading from chlorofluorocarbon (CFC) refrigerants to natural refrigerants (ammonia/CO_2) in a planned manner. In logistics of products as well, we are working to optimize transportation distances by changing distribution sites and carrying out other measures.

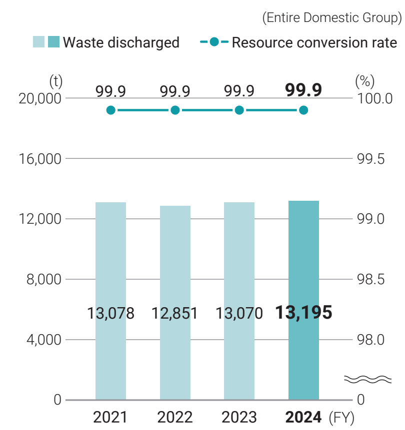
Natural gas boiler at our Kanto Factory

CO_2 discharged and per unit of sales



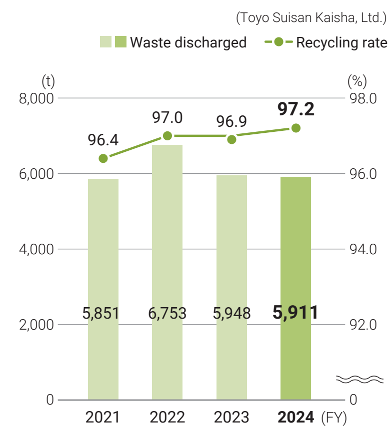
CO_2 emissions increased due to the increased production at the factory, but as a result of efforts to improve energy efficiency at each business site, the intensity improved.

Industrial waste discharged and resource conversion rate



The volume of industrial waste generated increased due to both a rise in factory production and a greater amount of waste materials discarded at refrigerated warehouses. The resource conversion rate continued to remain at a high level of 99.9%.

Food waste discharged and recycling rate



The volume of food waste generated declined slightly as a result of more stable production at the instant noodle factory and efforts to improve manufacturing efficiency across all plants. The recycling rate remains above our target level of 95%.

Addressing Climate Change Information Disclosure Based on TCFD Recommendations

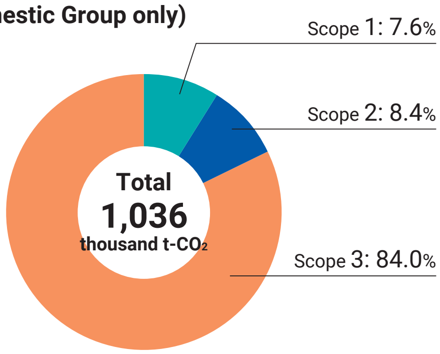
The Toyo Suisan Group is committed to providing information disclosures that are based on the framework outlined in the TCFD recommendations published by the Task Force on Climate-related Financial Disclosures (TCFD), which were established by the Financial Stability Board (FSB). In FY2024, we focused on the Strategy pillar of the four disclosure items recommended by the TCFD framework (Governance, Strategy, Risk Management, and Metrics & Targets), conducting scenario analysis for our key businesses: Domestic Instant Noodles, and Frozen and Refrigerated Foods. We have been disclosing this information on our website since December 2024.

Going forward, we will expand the scope of businesses and regions covered by scenario analysis and Scope 3 emissions calculations. We will also advance our consideration of response measures for identified risks and opportunities while working to enhance the disclosed information.

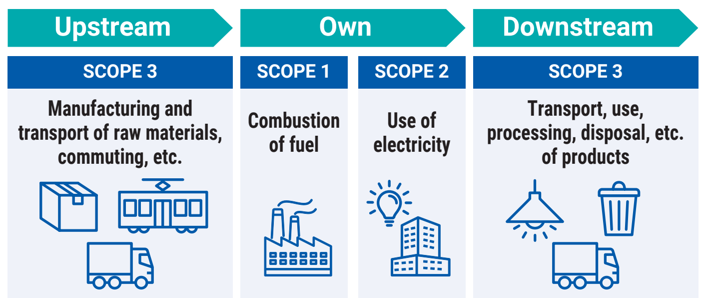
The Toyo Suisan Group's "Information Disclosure Based on TCFD Recommendations (FY2023)"
https://www.maruchan.co.jp/csr/environment/pdf/tcfd_recommendations_2023.pdf?20241227

Summary of FY2023 Scope 1, 2, and 3 Calculation Results

• Breakdown of Scope 1, 2, and 3 emissions (domestic Group only)



• Overall Supply Chain Emissions



Above figure was prepared by Toyo Suisan Kaisha, Ltd. based on "Overall Supply Chain Emissions" (Ministry of the Environment)
https://www.env.go.jp/earth/ondanka/supply_chain/gvc/estimate.html

Initiatives to reduce greenhouse gas (GHG) emissions through reductions in fluorocarbon leakage

In compliance with the Fluorocarbon Emissions Control Act enacted in 2015, each business site thoroughly inspects and maintains refrigeration and air conditioning equipment to prevent leakage of fluorocarbon refrigerants, which have a significant impact on global warming.

Since 2016, our Cold-Storage business has been systematically upgrading fluorocarbon-based refrigeration systems to natural refrigerant systems (ammonia and CO_2).

In FY2024, we upgraded the refrigeration equipment at Imari Toyo Co., Ltd., to a natural refrigerant system.

To date, we have completed upgrades at 14 refrigerated warehouses, bringing the proportion of natural refrigerant systems across the Toyo Suisan Group's total refrigerated warehouse capacity to 86.3%.

Natural refrigerant system installed at the Jonanjima Refrigerated Warehouse, completed in 2024.

As of FY2024, **86.3**% of our total refrigerated warehouse capacity has been converted to natural refrigerant systems

Procurement of sustainable materials
Concerning palm oil procurement

The Toyo Suisan Group joined the RSPO* in 2019 and promotes palm oil procurement in accordance with the RSPO Principles and Criteria. Joining our four U.S. factories and our Kansai Factory and Shuetsu Co., Ltd.'s Boso Factory in Japan, in FY2024, the Kanto Factory obtained RSPO supply chain certification. Group-wide, both in Japan and overseas, we aim to fully transition to sustainable palm oil by the end of FY2030. We will continue to expand the number of certified facilities and the volume of certified oil used.

Kanto Factory obtained RSPO certification in FY2024

*RSPO (Roundtable on Sustainable Palm Oil): An organization that certifies sustainable palm oil

As of FY2024, **81.6**% of our palm oil usage had been converted to sustainable sources

Use of Sustainable Materials

We promote the use of sustainable materials with consideration for environmental, social and human rights factors. Our efforts include sourcing sustainable palm oil, handling seafood certified under sustainable fisheries and aquaculture standards (MSC/ASC), procuring paper materials that support forest conservation, reducing plastic use in packaging and materials, and adopting environmentally friendly inks in packaging.

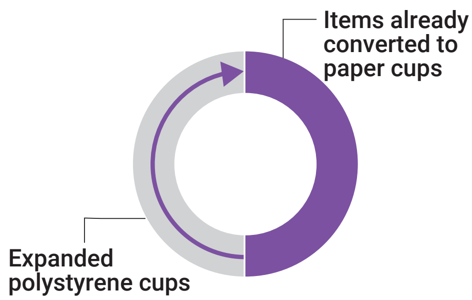
Paper cup conversion of vertical cup-type instant noodles sold in Mexico

To reduce plastic usage, we are converting the material of the containers used for vertical cup-type instant noodles sold in Mexico and Latin America from expanded polystyrene to paper-based materials.

To support both boiling water and microwave preparation, we reviewed soup powder formulas and after conducted performance testing on container temperature during consumption, we converted two out of eight items in December 2023, two more in July 2024, and another two in December 2024, thereby bringing the paper cup conversion rate to 50%.

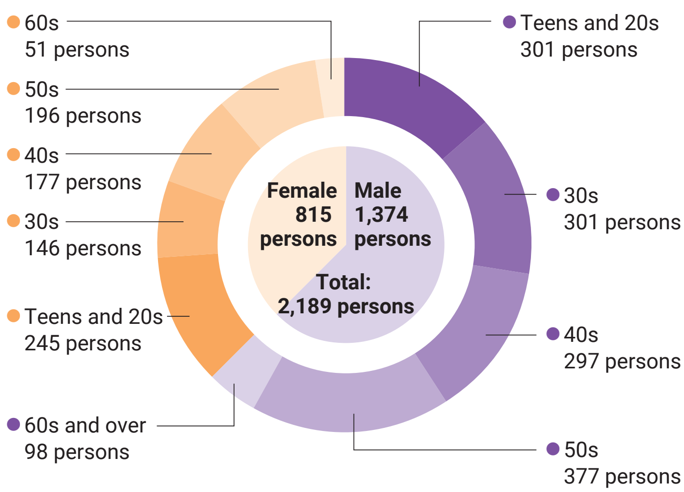
Our goal is to complete the full transition by the end of 2026.

Gradual product-by-product transition
Target: full transition by the end of 2026



Employee data (as of March 31, 2025) Toyo Suisan Kaisha, Ltd.

Composition of employees



- Average age
  41.3 years old
- Average years of service
  16.5 years
- Number and ratio of female managers (section manager and above)
  Number: **16** persons /
  Ratio: **6.9**%
- Number / ratio of employees with disabilities
  Number: **53** persons /
  Ratio: **2.23**%
- Maternity or paternity leave utilization rate
  Male: **24.3**%
  Female: **100**%
- Number of study sessions on diversity for managers (section manager and above)*
  21 times
- Number of compliance study sessions*
  242 times

*Including those held at Group companies

CORPORATE GOVERNANCE

Toyo Suisan's Basic Approach to Corporate Governance

The Toyo Suisan Group recognizes that accurate and swift corporate decision-making will determine the future growth of the Group.
We also recognize that strengthening and enhancing corporate governance is an important management issue, and believe it is important to clarify the responsibilities of directors and the accountability structure for individual businesses, as well as to strengthen compliance.
We will continue to promote management transparency and efficiency and aim to strengthen and enhance corporate governance.

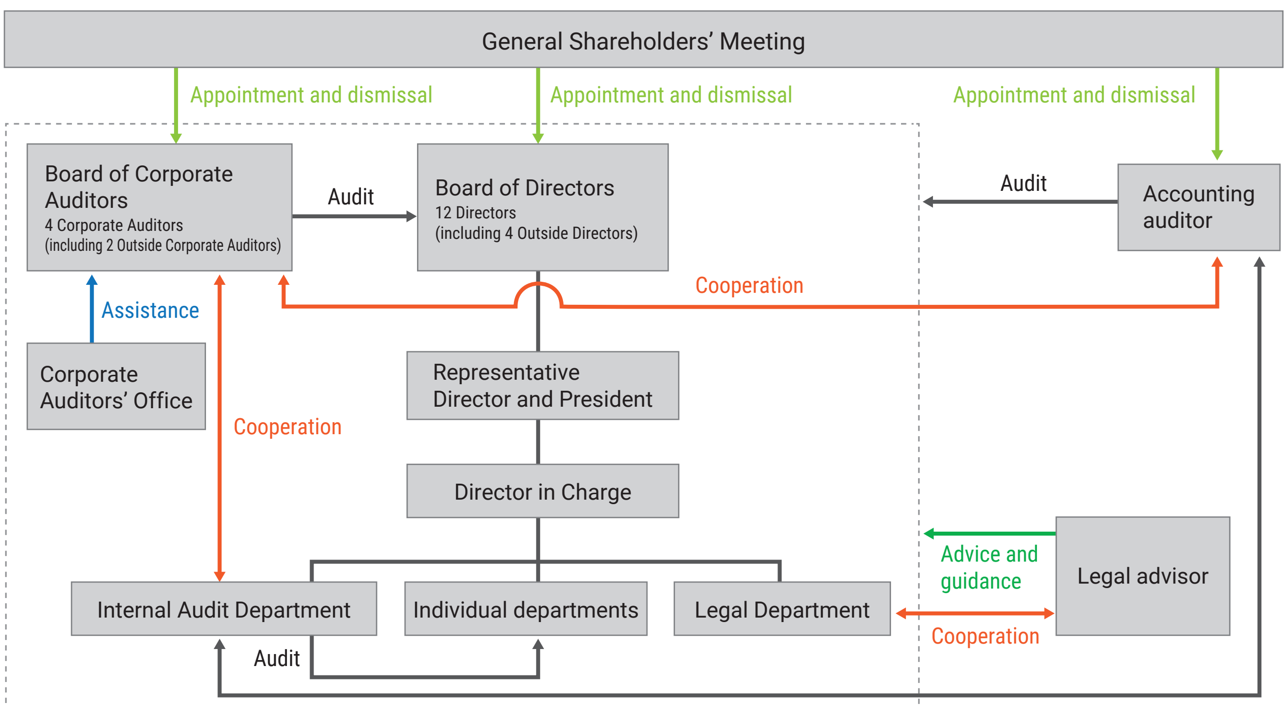
Board of Directors

The Board of Directors serves as the Company's decision-making body. The Board of Directors generally convenes once a month, and also as needed, and debates issues from the perspective of the group as a whole. The Board of Directors monitors the execution of duties, and decides on important matters, including those stipulated in the Companies Act.

Board of Corporate Auditors

The Company has adopted the corporate auditor system. Each corporate auditor attends Board of Directors' meetings and other important meetings and monitors the execution of duties by directors through such means as investigating the status of operations and assets, based on the audit policies, audit plans, and division of duties decided at Board of Corporate Auditors' meetings.

CORPORATE GOVERNANCE STRUCTURE



* In addition, we have set up an internal reporting system called "Report Line" aimed at prevention and/or early detection and correction of legal violations and in-house fraud. This system, which is independent from top management, consists of an internal contact line (general inquiries, corporate auditor contact line), and an external contact line (handled by a lawyer).

CONSOLIDATED BALANCE SHEETS

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES
AS OF MARCH 31, 2024 AND 2025

ASSETS

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2024	2025	2025
Current assets:			
Cash on hand and at banks (Notes 3 and 4)	¥ 189,707	¥ 257,471	$ 1,721,869
Receivables (Note 4):			
Notes and accounts receivable - trade	64,993	63,959	427,733
Amounts due from unconsolidated subsidiaries and affiliates	362	363	2,428
Other	3,691	3,341	22,343
Less: Allowance for doubtful accounts	(799)	(812)	(5,430)
	68,247	66,851	447,074
Securities (Notes 4 and 5)	65,000	—	—
Inventories (Note 7)	37,017	38,945	260,449
Other	2,574	3,454	23,099
Total current assets	362,545	366,721	2,452,491
Property, plant and equipment (Notes 8, 13, 18 and 21)**:**			
Buildings and structures	184,998	186,793	1,249,201
Machinery and equipment	178,969	184,413	1,233,284
Leased assets	5,711	5,690	38,053
Other	7,543	7,798	52,150
	377,221	384,694	2,572,688
Less: Accumulated depreciation	(259,404)	(268,251)	(1,793,961)
	117,817	116,443	778,727
Land	35,435	35,813	239,504
Construction in progress	13,611	31,343	209,610
Total property, plant and equipment	166,863	183,599	1,227,841
Intangible assets:			
Goodwill (Notes 20 and 21)	—	671	4,487
Software	2,119	1,762	11,784
Software in progress	257	2,882	19,274
Other	272	266	1,778
Total intangible assets	2,648	5,581	37,323
Investments and other assets:			
Investments in unconsolidated subsidiaries and affiliates (Notes 4 and 5)	4,688	4,889	32,696
Investment securities (Notes 4 and 5)	31,918	30,235	202,200
Deferred tax assets (Note 14)	1,324	1,052	7,035
Asset for retirement benefits (Note 10)	55	62	415
Other	954	2,839	18,986
Total investments and other assets	38,939	39,077	261,332
Total assets	¥ 570,995	¥ 594,978	$ 3,978,987

LIABILITIES AND NET ASSETS

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2024	2025	2025
Current liabilities:			
Short-term loans (Notes 4 and 9)	¥ 391	¥ 443	$ 2,963
Lease liabilities (Notes 4 and 9)	289	289	1,933
Payables (Note 4):			
Notes and accounts payable - trade	31,224	33,661	225,112
Amounts due to unconsolidated subsidiaries and affiliates	1,220	1,299	8,687
Other	1,488	4,126	27,593
	33,932	39,086	261,392
Income taxes payable	5,547	4,089	27,346
Accrued expenses	26,789	27,120	181,368
Other	2,898	2,274	15,207
Total current liabilities	69,846	73,301	490,209
Non-current liabilities:			
Lease liabilities (Notes 4 and 9)	2,886	2,672	17,869
Deferred tax liabilities (Note 14)	5,689	5,558	37,170
Reserve for retirement benefits for directors and other officers	326	316	2,113
Liability for retirement benefits (Note 10)	15,864	15,808	105,718
Asset retirement obligations	196	199	1,331
Other	1,653	3,480	23,273
Total non-current liabilities	26,614	28,033	187,474
Total liabilities	96,460	101,334	677,683
Net assets (Notes 15 and 16)**:**			
Shareholders' equity:			
Common stock—			
Authorized: 427,000,000 shares in 2024 and 2025			
Issued: 110,881,044 shares in 2024 and 2025	18,969	18,969	126,857
Capital surplus	22,942	22,940	153,414
Retained earnings	369,557	413,220	2,763,459
Treasury stock, at cost—			
Held by the Company: 8,705,158 shares in 2024 and 11,205,406 shares in 2025			
Owned by consolidated subsidiaries and affiliates: 49,018 shares in 2024 and 2025	(8,239)	(32,181)	(215,214)
Total shareholders' equity	403,229	422,948	2,828,516
Accumulated other comprehensive income:			
Net unrealized gain on investment securities, net of taxes (Note 5)	14,026	13,021	87,080
Net unrealized gain (loss) on hedging instruments, net of taxes (Note 6)	47	(3)	(20)
Foreign currency translation adjustments	44,033	44,112	295,004
Adjustments for retirement benefits, net of taxes (Note 10)	982	1,114	7,450
Total accumulated other comprehensive income	59,088	58,244	389,514
Non-controlling interests	12,218	12,452	83,274
Total net assets	474,535	493,644	3,301,304
Total liabilities and net assets	¥ 570,995	¥ 594,978	$ 3,978,987

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES
FOR THE YEARS ENDED MARCH 31, 2024 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2024	2025	2025
Net sales (Notes 11 and 21)	¥ 489,013	**¥ 507,601**	**$ 3,394,643**
Cost of sales (Notes 7 and 12)	348,909	**356,292**	**2,382,746**
Gross profit	140,104	**151,309**	**1,011,897**
Selling, general and administrative expenses (Note 12)	73,408	**75,820**	**507,055**
Operating income (Note 21)	66,696	**75,489**	**504,842**
Non-operating income (expenses):			
Interest and dividend income	6,985	**7,660**	**51,227**
Interest expenses	(211)	**(204)**	**(1,364)**
Share of net income of equity-accounted investee	117	**176**	**1,177**
Foreign exchange gains (losses)	423	**(81)**	**(542)**
Provision of allowance for doubtful accounts	(160)	**(13)**	**(87)**
Gain on sales of investment securities (Note 5)	198	**513**	**3,431**
Loss on sales and disposal of property, plant and equipment, net	(267)	**(356)**	**(2,381)**
Impairment losses on fixed assets (Notes 13 and 21)	(1,782)	**(22)**	**(147)**
Subsidy received	165	**187**	**1,251**
Loss on write-down of investments in unconsolidated subsidiaries and affiliates (Note 5)	—	**(381)**	**(2,548)**
Other, net	1,046	**892**	**5,965**
Income before income taxes	73,210	**83,860**	**560,824**
Income taxes (Note 14)**:**			
Current	18,703	**20,280**	**135,625**
Deferred	(593)	**310**	**2,073**
	18,110	**20,590**	**137,698**
Net income	55,100	**63,270**	**423,126**
Net income (loss) attributable to:			
Non-controlling interests	(554)	**403**	**2,695**
Owners of parent	¥ 55,654	**¥ 62,867**	**$ 420,431**

	Yen		U.S. dollars (Note 1)
	2024	2025	2025
Amounts per share of common stock (Note 17)**:**			
Net income	¥ 545.0	**¥ 626.4**	**$ 4.19**
Cash dividends applicable to the year	170.0	**200.0**	**1.34**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES
FOR THE YEARS ENDED MARCH 31, 2024 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2024	2025	2025
Net income	¥ 55,100	**¥ 63,270**	**$ 423,126**
Other comprehensive income (loss) (Note 19)**:**			
Net unrealized gain (loss) on investment securities, net of tax	5,195	**(980)**	**(6,554)**
Net unrealized gain (loss) on hedging instruments, net of tax	81	**(50)**	**(334)**
Foreign currency translation adjustments	18,727	**79**	**528**
Adjustments for retirement benefits, net of tax	2,900	**151**	**1,010**
Share of OCI of equity-accounted investee	183	**(43)**	**(288)**
Total other comprehensive income (loss)	27,086	**(843)**	**(5,638)**
Comprehensive income	¥ 82,186	**¥ 62,427**	**$ 417,488**
Total comprehensive income (loss) attributable to:			
Owners of parent	¥ 82,398	**¥ 62,023**	**$ 414,786**
Non-controlling interests	(212)	**404**	**2,702**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES
FOR THE YEARS ENDED MARCH 31, 2024 and 2025

Millions of yen

	Shareholders' equity					Accumulated other comprehensive income						
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized gain on investment securities, net of taxes	Net unrealized gain (loss) on hedging instruments, net of taxes	Foreign currency translation adjustments	Adjustments for retirement benefits, net of taxes	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at April 1, 2023	¥ 18,969	¥ 22,942	¥ 326,159	¥ (8,236)	¥ 359,834	¥ 8,899	¥ (34)	¥ 25,306	¥ (1,827)	¥ 32,344	¥ 12,573	¥ 404,751
Net income attributable to owners of parent	—	—	55,654	—	55,654	—	—	—	—	—	—	55,654
Cash dividends paid	—	—	(12,256)	—	(12,256)	—	—	—	—	—	—	(12,256)
Change in ownership interest of parent due to transactions with non-controlling interests	—	(0)	—	—	(0)	—	—	—	—	—	—	(0)
Acquisition of treasury stock	—	—	—	(3)	(3)	—	—	—	—	—	—	(3)
Net changes in items except shareholders' equity	—	—	—	—	—	5,127	81	18,727	2,809	26,744	(355)	26,389
Balance at March 31, 2024	18,969	22,942	369,557	(8,239)	403,229	14,026	47	44,033	982	59,088	12,218	474,535
Net income attributable to owners of parent	—	—	62,867	—	62,867	—	—	—	—	—	—	62,867
Cash dividends paid	—	—	(19,204)	—	(19,204)	—	—	—	—	—	—	(19,204)
Change in ownership interest of parent due to transactions with non-controlling interests	—	(2)	—	—	(2)	—	—	—	—	—	—	(2)
Acquisition of treasury stock	—	—	—	(23,942)	(23,942)	—	—	—	—	—	—	(23,942)
Net changes in items except shareholders' equity	—	—	—	—	—	(1,005)	(50)	79	132	(844)	234	(610)
Balance at March 31, 2025	**¥ 18,969**	**¥ 22,940**	**¥ 413,220**	**¥ (32,181)**	**¥ 422,948**	**¥ 13,021**	**¥ (3)**	**¥ 44,112**	**¥ 1,114**	**¥ 58,244**	**¥ 12,452**	**¥ 493,644**

Thousands of U.S. dollars (Note 1)

	Shareholders' equity					Accumulated other comprehensive income						
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized gain on investment securities, net of taxes	Net unrealized gain (loss) on hedging instruments, net of taxes	Foreign currency translation adjustments	Adjustments for retirement benefits, net of taxes	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at March 31, 2024	$ 126,857	$ 153,427	$ 2,471,457	$ (55,099)	$ 2,696,642	$ 93,801	$ 314	$ 294,476	$ 6,567	$ 395,158	$ 81,709	$ 3,173,509
Net income attributable to owners of parent	—	—	420,431	—	420,431	—	—	—	—	—	—	420,431
Cash dividends paid	—	—	(128,429)	—	(128,429)	—	—	—	—	—	—	(128,429)
Change in ownership interest of parent due to transactions with non-controlling interests	—	(13)	—	—	(13)	—	—	—	—	—	—	(13)
Acquisition of treasury stock	—	—	—	(160,115)	(160,115)	—	—	—	—	—	—	(160,115)
Net changes in items except shareholders' equity	—	—	—	—	—	(6,721)	(334)	528	883	(5,644)	1,565	(4,079)
Balance at March 31, 2025	**$ 126,857**	**$ 153,414**	**$ 2,763,459**	**$ (215,214)**	**$ 2,828,516**	**$ 87,080**	**$ (20)**	**$ 295,004**	**$ 7,450**	**$ 389,514**	**$ 83,274**	**$ 3,301,304**

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES
FOR THE YEARS ENDED MARCH 31, 2024 and 2025

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2024	2025	2025
Cash flows from operating activities:			
Income before income taxes	¥ 73,210	¥ 83,860	$ 560,824
Depreciation and amortization	17,105	16,706	111,723
Impairment losses on fixed assets	1,782	22	147
Loss on write-down of investments in unconsolidated subsidiaries and affiliates	—	381	2,548
Amortization of goodwill	—	54	361
Share of net income of equity-accounted investee	(117)	(176)	(1,177)
Increase (decrease) in reserve for retirement benefits for directors and other officers	7	(9)	(60)
Increase in allowance for doubtful accounts	160	13	87
Increase (decrease) in liability for retirement benefits	(243)	130	869
Interest and dividend income	(6,985)	(7,660)	(51,227)
Interest expenses	211	204	1,364
Loss on sales and disposal of property, plant and equipment, net	267	356	2,381
Decrease (increase) in notes and accounts receivable - trade	(4,741)	954	6,380
Increase in inventories	(1,128)	(2,088)	(13,964)
Increase (decrease) in notes and accounts payable - trade	(607)	2,579	17,247
Increase in accrued expenses	720	346	2,314
Other, net	2,654	(3,113)	(20,818)
Subtotal	82,295	92,559	618,999
Interest and dividend income received	5,763	7,968	53,287
Interest expenses paid	(211)	(204)	(1,364)
Income taxes paid	(17,350)	(21,544)	(144,078)
Net cash provided by operating activities	70,497	78,779	526,844
Cash flows from investing activities:			
Payments for time deposits	(131,487)	(286,345)	(1,914,967)
Proceeds from maturities of time deposits	99,773	214,580	1,435,030
Payments for purchase of securities	(99,000)	—	—
Proceeds from sales and redemption of securities	96,000	65,000	434,695
Payments for purchase of property, plant and equipment	(18,655)	(29,765)	(199,057)
Proceeds from sales of property, plant and equipment	5	26	174
Payments for purchase of intangible assets	(860)	(2,081)	(13,917)
Payments for purchase of investment securities	(30)	(516)	(3,451)
Proceeds from sales of investment securities	550	1,044	6,982
Payments for loans receivable	(1,722)	(1,601)	(10,707)
Proceeds from collection of loans receivable	1,706	1,597	10,680
Payments for purchase of investments in subsidiary resulting in change in scope of consolidation (Note 3)	—	(1,825)	(12,205)
Other, net	(19)	(171)	(1,143)
Net cash used in investing activities	(53,739)	(40,057)	(267,886)
Cash flows from financing activities:			
Proceeds from short-term loans	817	1,797	12,018
Repayments of short-term loans	(803)	(1,745)	(11,670)
Purchase of treasury stock	(3)	(23,942)	(160,115)
Cash dividends paid	(12,249)	(19,197)	(128,382)
Cash dividends paid to non-controlling interests	(140)	(135)	(903)
Other, net	(336)	(315)	(2,107)
Net cash used in financing activities	(12,714)	(43,537)	(291,159)
Effect of exchange rate changes on cash and cash equivalents	456	2,130	14,245
Net increase (decrease) in cash and cash equivalents	4,500	(2,685)	(17,956)
Cash and cash equivalents at beginning of year	37,567	42,067	281,328
Cash and cash equivalents at end of year (Note 3)	¥ 42,067	¥ 39,382	$ 263,372

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TOYO SUISAN KAISHA, LTD. AND ITS SUBSIDIARIES

1 Basis of presentation of consolidated financial statements

The accompanying consolidated financial statements of Toyo Suisan Kaisha, Ltd. (the "Company") and its consolidated subsidiaries (collectively, the "Group") have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations, and in conformity with generally accepted accounting principles in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Japanese Financial Instruments and Exchange Act. Certain supplementary information included in the statutory Japanese language consolidated financial statements is not presented in the accompanying consolidated financial statements. Certain reclassifications have been made to the prior year's consolidated financial statements to conform to the current year's presentation.

The translation of the Japanese yen amounts into U.S. dollar is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2025, which was ¥149.53 to U.S. $1. This convenience translation should not be construed as a representation that the Japanese yen amounts have been, could have been, or could be in the future, converted into U.S. dollar at this or any other rate of exchange.

2 Summary of significant accounting policies

(1) Scope of consolidation

The Company had 27 and 28 subsidiaries as of March 31, 2024 and 2025, respectively.

The accompanying consolidated financial statements include the accounts of the Company, and 23 and 24 subsidiaries as of March 31, 2024 and 2025, respectively. Significant subsidiaries are consolidated.

Tsukuba Foods Co., Ltd. was consolidated for the first time in the year ended March 31, 2025 since the Company acquired all the shares of the company on July 3, 2024 and it became a consolidated subsidiary of the Company.

The following are the Company's consolidated subsidiaries as of March 31, 2024 and 2025:

Equity ownership percentage

Name of subsidiary	2024	2025
Hachinohe Toyo Co., Ltd.	100.0%	100.0%
Kofu Toyo Co., Ltd.	100.0	100.0
Fukushima Foods Co., Ltd.	100.0	100.0
Miyagi Toyo Kaisha, Ltd.	100.0	100.0
Shuetsu Co., Ltd.	100.0	100.0
Shinto Corporation	100.0	100.0
Imari Toyo Co., Ltd.	100.0	100.0
Fresh Diner Corporation	100.0	100.0
Tokyo Commercial Co., Ltd.	100.0	100.0
Choshi Toyo Kaisha, Ltd.	100.0	100.0
Yutaka Foods Corporation	50.9	50.9
Mitsuwa Daily Co., Ltd.	100.0	100.0
Saihoku Toyo Kaisha, Ltd.	100.0	100.0
Shonan Toyo Kaisha, Ltd.	100.0	100.0
Suruga Toyo Kaisha, Ltd.	100.0	100.0
Maruchan, Inc. (*1)	100.0	100.0
Maruchan Virginia, Inc. (*1)	100.0	100.0
Maruchan Texas, Inc. (*1)	100.0	100.0
Maruchan de Mexico, S.A. de C.V. (*2)	100.0	100.0
Sanmaru de Mexico, S.A. de C.V. (*2)	100.0	100.0
Maruchan do Brasil Serviços Ltda. (*3)	100.0	100.0
Pac-Maru, Inc. (*1)	100.0	100.0
Shimaya Co., Ltd.	61.0	61.6
Tsukuba Foods Co., Ltd.	—	100.0

(*1) Incorporated in the U.S.A.
(*2) Incorporated in Mexico
(*3) Incorporated in Brazil

The remaining four unconsolidated subsidiaries as of March 31, 2024 and 2025 whose combined assets, net sales, net income and retained earnings are insignificant to the consolidated financial statements have not been consolidated.

The following are the major unconsolidated subsidiaries of the Company as of March 31, 2024 and 2025:

Yaizu Shinto Co., Ltd.
Towa Estate Co., Ltd.

(2) Accounting for investments in unconsolidated subsidiaries and affiliates

The Company had four affiliates as of March 31, 2024 and 2025.

The equity method has been applied to the following affiliate for the years ended March 31, 2024 and 2025:

Equity ownership percentage

Name of affiliate	2024	2025
Semba Tohka Industries Co., Ltd.	26.4%	26.4%

The investments in the four unconsolidated subsidiaries as of March 31, 2024 and 2025 and three affiliates (Higashimaru International Corporation and other two affiliates) as of March 31, 2024 and 2025 were carried at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

(3) Consolidation principles

The balance sheet date of the following consolidated subsidiaries is different from that of the Company.

Name of subsidiary	Balance sheet date
Maruchan de Mexico, S.A. de C.V.	December 31
Sanmaru de Mexico, S.A. de C.V.	December 31
Maruchan do Brasil Serviços Ltda.	December 31

Financial statements provisionally prepared by the above consolidated subsidiaries as of the balance sheet date of the Company have been used for consolidation purposes.

(4) Foreign currency translation

Foreign currency monetary receivables and payables are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Resulting gains and losses are included in net income for the period.

The balance sheet accounts of foreign subsidiaries are translated into Japanese yen at the exchange rates prevailing at the balance sheet date except for the components of net assets, which are translated into Japanese yen at their historical rates. Differences arising from such translation are presented as foreign currency translation adjustments in net assets. Revenue and expense accounts are translated into Japanese yen using the exchange rates prevailing at the balance sheet date.

(5) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of cash flows consist of cash on hand, cash at banks which can be withdrawn on demand, and short-term investments with original maturities of three months or less that are readily converted into cash and subject to insignificant risk of changes in value.

(6) Securities

Marketable available-for-sale securities are stated at fair value with unrealized gains and losses, net of applicable taxes, reported as a component of accumulated other comprehensive income. The cost of securities sold is determined by the moving-average method. Nonmarketable available-for-sale securities are stated at cost determined by the moving-average method.

(7) Derivative financial instruments

The Group enters into derivative transactions in order to manage market risk of fluctuations in foreign currency exchange rates. Derivative financial instruments are carried at fair value with changes in unrealized gain or loss charged or credited to income, except for those which meet the criteria for deferral hedge accounting under which unrealized gain or loss is deferred as a component of net assets.

Deferral hedge accounting is applied to derivatives which qualify as hedges, under which unrealized gain or loss is deferred. Hedging instruments are foreign exchange forward contracts, and hedged items are monetary receivables and payables denominated in foreign currencies and forecast transactions denominated in foreign currencies. The Group assesses the effectiveness of its hedging activities by comparing the changes in the foreign exchange rate of the hedged item against the changes in the foreign exchange rate of the hedging instrument. Hedge effectiveness of foreign exchange forward contracts is not assessed because the Group enters into a foreign exchange forward contract with the same amount in a foreign currency and the same maturity date as the underlying hedged item in accordance with the Company's risk management policies and therefore the foreign exchange rate of the hedged item is effectively correlated with that of the hedging instrument. For forecast transactions, the Group assesses the feasibility.

(8) Allowance for doubtful accounts

To provide for possible credit losses, allowance for doubtful accounts is provided based on past experience for general receivables and on an individual assessment of the collectability of the account for doubtful receivables.

(9) Inventories

Inventories are stated at the lower of cost, principally determined by the monthly moving-average method, or net realizable value.

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

Depreciation of property, plant and equipment (excluding leased assets) is mainly computed using the declining balance method based on the estimated useful lives of the assets. The Company and its domestic consolidated subsidiaries, however, apply the straight-line method to buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016.

The ranges of useful lives are as follows:

Buildings and structures	15–50 years
Machinery and equipment	4–12 years

(11) Intangible assets (excluding leased assets)

Amortization of intangible assets is computed by the straight-line method. Software for internal use owned by the Company and its domestic consolidated subsidiaries is amortized over its expected useful life (five years) by the straight-line method.

(12) Accounting for leases

Leased assets under finance lease arrangements which transfer ownership of the assets to the lessee are depreciated by the same method as the one applied to property, plant and equipment.

Leased assets under finance lease arrangements which do not transfer ownership of the assets to the lessee are depreciated over the lease term by the straight-line method with no residual value.

(13) Retirement benefits

(a) Retirement benefits for employees

Retirement benefit obligations are attributed to periods on a benefit formula basis. Past service costs that are yet to be recognized are amortized by the straight-line method over periods (mainly 10 years), no longer than the average remaining years of service of the employees. Actuarial gains and losses that are yet to be recognized are amortized by the straight-line method over periods (mainly 10 years), no longer than the average remaining years of service of the employees, commencing from the following year.

Certain domestic consolidated subsidiaries apply the simplified method where the amount required for voluntary retirement at the balance sheet date is treated as the retirement benefit obligations in order to calculate their liability for retirement benefits and retirement benefit costs.

(b) Retirement benefits for directors and other officers

To provide for expenditures on retirement benefits for directors and other officers, reserve for retirement benefits for directors and other officers is recorded by certain domestic consolidated subsidiaries at an amount that would be required to be paid in accordance with their internal regulations if all eligible directors and other officers resign their positions at the balance sheet date.

(14) Basis for recognizing revenue and expenses

The following are the details of main performance obligations and the general timing of revenue recognition in the Group's major businesses.

(a) Seafood

The Seafood business mainly purchases, processes and sells seafood in and outside Japan.

Under a sales contract with a customer, the business has an obligation to transfer finished goods ordered by the customer, and such performance obligation is satisfied generally when promised goods are transferred. For transactions in Japan, however, the business recognizes revenue upon shipment applying paragraph 98 Treatment of recognition upon shipment and other base in the "Implementation Guidance on Accounting Standard for Revenue Recognition" because it takes about a few days from when ordered goods are shipped out to when the control of the goods is transferred to customers.

The business's revenue is calculated by deducting estimated discounts and rebates from prices in contracts and recognized only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Consideration payable to customers is deducted from net sales.

For some transactions where the Group is an agent or a consignee for the provision of goods or services to customers, the business recognizes revenue on a net basis (the net amount of consideration that the Group retains after paying the supplier the consideration received from the customer).

The Group needs not adjust the promised amount of consideration for the effects of a significant financing component as consideration in sales contracts is collected within about one year after the control of promised goods was transferred to customers.

(b) Overseas Instant Noodles

The Overseas Instant Noodles business manufactures and sells instant noodles in the Americas, mainly in the U.S.A. and Mexico.

Under a sales contract with a customer, the business has an obligation to transfer finished goods ordered by the customer, and such performance obligation is satisfied generally when promised goods are transferred. Accordingly, the business generally recognizes revenue upon acceptance.

The business's revenue is calculated by deducting estimated discounts and rebates from prices in contracts and recognized only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Consideration payable to customers is deducted from net sales.

The Group needs not adjust the promised amount of consideration for the effects of a significant financing component as consideration in sales contracts is collected within about one year after the control of promised goods was transferred to customers.

(c) Domestic Instant Noodles, Frozen and Refrigerated Foods, and Processed Foods

The Domestic Instant Noodles business mainly manufactures and sells instant noodles in Japan, the Frozen and Refrigerated Foods business mainly manufactures and sells frozen and refrigerated foods in Japan, and the Processed Foods business mainly manufactures and sells processed foods in Japan.

Under a sales contract with a customer, each business has an obligation to transfer finished goods ordered by the customer, and such performance obligation is satisfied generally when promised goods are transferred. The businesses, however, recognize revenue upon shipment applying paragraph 98 Treatment of recognition upon shipment and other base in the "Implementation Guidance on Accounting Standard for Revenue Recognition" because it takes about a few days from when ordered goods are shipped out to when the control of the goods is transferred to customers.

These businesses' revenue is calculated by deducting estimated discounts and rebates from prices in contracts and recognized only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Consideration payable to customers is deducted from net sales.

The Group needs not adjust the promised amount of consideration for the effects of a significant financing component as consideration in sales contracts is collected within about one year after the control of promised goods was transferred to customers.

(d) Cold-Storage

The Cold-Storage business stores goods entrusted by customers in refrigerated or frozen storage facilities mainly in Japan.

Under a contract for the cold storage service with a customer, the business has an obligation to store goods entrusted by the customer in refrigerated or frozen storage facilities. The business determines that the customer simultaneously receives and consumes the benefits provided as the business provides the cold storage service, so its performance obligation is satisfied over time. Accordingly, the business recognizes revenue based on the number of days the storage service is provided during the reporting period.

The Group needs not adjust the promised amount of consideration for the effects of a significant financing component as consideration in contracts for the cold storage service is collected within about one year after the satisfaction of a performance obligation over a time period corresponding to the number of days the storage service was provided.

(e) Other

In the other businesses, the Group mainly makes and sells packed lunches and deli foods in Japan.

Under a sales contract with a customer, the Group has an obligation to transfer finished goods ordered by the customer, and such performance obligation is satisfied generally when promised goods are transferred. Accordingly, the Group generally recognizes revenue upon acceptance.

The businesses' revenue is calculated by deducting estimated discounts and rebates from prices in contracts and recognized only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Consideration payable to customers is deducted from net sales.

For some transactions where the Group is an agent for the provision of goods or services to customers, revenue is recognized on a net basis (the net amount of consideration that the Group retains after paying the supplier the consideration received from the customer).

The Group needs not adjust the promised amount of consideration for the effects of a significant financing component as consideration in sales contracts is collected within about one year after the control of promised goods was transferred to customers.

(15) Net income and cash dividends per share of common stock

Net income per share of common stock is based on the weighted-average number of shares of common stock outstanding during the year.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years, including dividends to be paid after the end of the year.

(16) Significant accounting estimates

Impairment loss on property, plant and equipment

(a) Amounts recognized in consolidated financial statements

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Property, plant and equipment	¥ 166,863	¥ 183,599	$ 1,227,841
Property, plant and equipment in packaged cooked rice business	7,483	6,725	44,974
Proportion of total assets (%)	1.3%	1.1%	—

(b) Information on details of significant accounting estimate of identified item

The Company was required to make a judgment as to whether an impairment loss should be recognized on property, plant and equipment used in the packaged cooked rice business within the Processed Foods Segment. This judgment was based on the fact that an impairment indicator was identified as it cannot be said that the business environment is always stable due to considerable uncertainty about sales quantity and the upward trend in production costs such as raw materials in recent months in addition to the initial capital expenditures.

The Company determined that this asset group did not need to recognize an impairment loss, because the estimated undiscounted future cash flows expected to be generated from this asset group, based on the mid-term business plan, exceeded the carrying amount.

The undiscounted future cash flows, which were used to determine whether an impairment loss should be recognized, were estimated based on the mid-term business plan that utilizes the growth of the packaged cooked rice market and forecasts of rice prices as key assumptions. The mid-term business plan was developed based on management's assessment on the future business outlook and the previous years' results, and by using information available from external and internal sources.

Regarding the assumptions that were used for estimating the undiscounted future cash flows, if the undiscounted future cash flows decrease due to the difference between the actual growth of the packaged cooked rice market and/or rice prices and the forecasted figures, an impairment loss may be recognized in the consolidated financial statements for the year ending March 31, 2026.

(17) Changes in accounting policies

Adoption of Accounting Standard for Current Income Taxes

The Company and its domestic consolidated subsidiaries adopted the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan ("ASBJ") Statement No. 27, revised on October 28, 2022; the "Revised Standard") and other standard and guidance at the beginning of the year ended March 31, 2025.

The revision on where to record income taxes (taxation on other comprehensive income) was accounted for in accordance with the transitional provision in the proviso to paragraph 20-3 of the Revised Standard and the transitional provision in the proviso to paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, revised on October 28, 2022; the "Revised Guidance"). These changes in accounting policies had no effect on the consolidated financial statements.

For the revision related to the review of the treatment in consolidated financial statements when gains or losses on sales arising from the sale of investments in subsidiaries and affiliates among consolidated companies are deferred for tax purposes, the Company and its domestic consolidated subsidiaries adopted the Revised Guidance at the beginning of the year ended March 31, 2025. These changes in accounting policies have been accounted for retrospectively, and the consolidated financial statements for the year ended March 31, 2024 reflect the retrospective application. These changes in accounting policies had no effect on the consolidated financial statements for the year ended March 31, 2024.

(18) Accounting standards issued but not yet adopted

- "Accounting Standard for Leases" (ASBJ Statement No. 34, issued on September 13, 2024);
- "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, issued on September 13, 2024); and other pronouncements

(a) Overview

As part of efforts to make Japanese accounting standards aligned with international ones, the ASBJ made deliberations on the basis of international accounting standards to develop an accounting standard for leases under which assets and liabilities are recognized for all leases by lessees and consequently issued the above accounting standard for leases and other pronouncements. While the accounting standard and other pronouncements were developed on the basis of a single accounting model under IFRS 16 as basic policy, they are simple and useful because they incorporated only major provisions of IFRS 16 instead of all the provisions. They were also designed so that no adjustments are generally required for non-consolidated financial statements even if they are prepared in accordance with the provisions under IFRS 16.

For lessees' accounting for lease expenses, the accounting standard provides a single accounting model that requires lessees to depreciate a right-of-use asset and recognize interest expense on a lease liability for all leases, regardless of whether the lease is a finance lease or an operating lease as is the case in IFRS 16.

(b) Scheduled date of adoption

The Company and its domestic consolidated subsidiaries expect to adopt the standard and other pronouncements at the beginning of the year ending March 31, 2028.

(c) Effects of adopting the standard and other pronouncements

The Company is currently evaluating the effects of adopting the standard and other pronouncements on its consolidated financial statements.

3 Cash flow information

Cash and cash equivalents in the consolidated statements of cash flows for the years ended March 31, 2024 and 2025 are reconciled to cash on hand and at banks in the consolidated balance sheets as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Cash on hand and at banks	¥ 189,707	**¥ 257,471**	**$ 1,721,869**
Time deposits with maturities of more than 3 months	(147,640)	**(218,089)**	**(1,458,497)**
Cash and cash equivalents	¥ 42,067	**¥ 39,382**	**$ 263,372**

The following table provides a summary of assets acquired and liabilities assumed through the acquisition of shares of Tsukuba Foods Co., Ltd. on the acquisition date in the year ended March 31, 2025, and the related acquisition cost and net payment. There is no applicable information to be disclosed for the year ended March 31, 2024.

	Millions of yen	Thousands of U.S. dollars
	2025	2025
Current assets	**¥ 52**	**$ 348**
Non-current assets	**1,370**	**9,162**
Goodwill	**725**	**4,849**
Current liabilities	**(231)**	**(1,545)**
Non-current liabilities	**(42)**	**(281)**
Acquisition cost of the shares	**1,874**	**12,533**
Cash and cash equivalents	**(49)**	**(328)**
Payment for the share acquisition	**¥ 1,825**	**$ 12,205**

4 Financial instruments

(1) Outline of financial instruments

(a) Policy for financial instruments

The Group manages their funds only using short-term deposits, short-term loans receivable from group companies (cash management system), and other equivalent instruments and raises funds primarily through short-term loans from group companies (cash management system). Derivative transactions are not used for speculative purposes, but to hedge the market risk of fluctuations in foreign currency exchange rates associated with monetary receivables and payables denominated in foreign currencies.

(b) Details of financial instruments and related risks

Notes and accounts receivable - trade are exposed to customer credit risk. Securities comprise domestic certificates of deposit with short maturity. Investment securities are exposed to market price fluctuation risk.

Notes and accounts payable - trade are due within one year. Short-term loans are primarily comprised of short-term loans from group companies (cash management system). Lease liabilities under finance leases are mainly for the purpose of financing for capital investments.

Derivative transactions consist of foreign exchange forward contracts for the purpose of hedging foreign currency exchange risk associated with trade receivables and payables denominated in foreign currencies. Information about hedge accounting is as stated in the note "2. Summary of significant accounting policies, (7) Derivative financial instruments."

(c) Risk management for financial instruments

a. Credit risk management (customers' default risk)

The Company manages its credit risk associated with trade receivables by monitoring due dates and outstanding balances for each customer and monitoring the creditworthiness of its main customers semiannually in accordance with internal regulations. In addition, the Company is making efforts to identify and mitigate risks of bad debts from customers who are having financial difficulties. The Company's consolidated subsidiaries manage their risk in line with the Company's internal regulations.

The Group enters into derivative contracts only with highly rated financial institutions in order to reduce the risk of counterparty default.

b. Market risk management (risk of fluctuations in foreign currency exchange rates and market prices)

The Company and some of its consolidated subsidiaries enter into foreign exchange forward contracts to hedge the foreign currency exchange risk on trade receivables and payables denominated in foreign currencies.

Investment securities are managed by monitoring market values and the financial position of issuers, customers and suppliers, on a regular basis.

Each derivative transaction is conducted by the department requiring the transaction in accordance with the Company's internal regulations. The department confirms the contract and reconciles the balances as well as reports them to the general manager of the accounting department. Some of the Company's consolidated subsidiaries manage their risk in line with the Company's internal regulations.

c. Liquidity risk management and fundraising (risk that the Group may not be able to meet its contractual obligations on due dates)

The accounting department of the Company prepares short-term and long-term financing plans on a timely basis based on reports from departments and holds an adequate volume of liquid assets to manage liquidity risk. The Company's consolidated subsidiaries use a cash management system for efficient fund management in order to manage their liquidity risk.

(d) Supplementary explanation for fair values of financial instruments

Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in different fair value. The contract amounts of derivative transactions in the note "6. Derivative financial instruments" are not necessarily indicative of the market risk involved in derivative transactions.

(e) Concentration of credit risk

As of March 31, 2025, 34.1% of total trade receivables are from the Company's major customer.

(2) Fair values of financial instruments

The carrying amounts of financial instruments on the consolidated balance sheets as of March 31, 2024 and 2025 and their fair values are shown in the following table. The following table does not include nonmarketable equity securities (see (b) below).

2024 (Millions of yen)

	Carrying amount	Fair value	Unrealized gain (loss)
(1) Investments in unconsolidated subsidiaries and affiliates	¥ 3,243	¥ 2,161	¥ (1,082)
(2) Investment securities: Available-for-sale securities	31,358	31,358	—
Assets total	¥ 34,601	¥ 33,519	¥ (1,082)
(1) Lease liabilities (*1)	¥ 3,175	¥ 3,036	¥ (139)
Liabilities total	¥ 3,175	¥ 3,036	¥ (139)
Derivative transactions (*2)	¥ 68	¥ 68	¥ —

2025 (Millions of yen)

	Carrying amount	Fair value	Unrealized gain (loss)
(1) Investments in unconsolidated subsidiaries and affiliates	**¥ 3,340**	**¥ 2,164**	**¥ (1,176)**
(2) Investment securities: Available-for-sale securities	**29,705**	**29,705**	**—**
Assets total	**¥ 33,045**	**¥ 31,869**	**¥ (1,176)**
(1) Lease liabilities (*1)	**¥ 2,961**	**¥ 2,695**	**¥ (266)**
Liabilities total	**¥ 2,961**	**¥ 2,695**	**¥ (266)**
Derivative transactions (*2)	**¥ (3)**	**¥ (3)**	**¥ —**

2025 (Thousands of U.S. dollars)

	Carrying amount	Fair value	Unrealized gain (loss)
(1) Investments in unconsolidated subsidiaries and affiliates	**$ 22,337**	**$ 14,472**	**$ (7,865)**
(2) Investment securities: Available-for-sale securities	**198,656**	**198,656**	**—**
Assets total	**$ 220,993**	**$ 213,128**	**$ (7,865)**
(1) Lease liabilities (*1)	**$ 19,802**	**$ 18,023**	**$ (1,779)**
Liabilities total	**$ 19,802**	**$ 18,023**	**$ (1,779)**
Derivative transactions (*2)	**$ (20)**	**$ (20)**	**$ —**

(*1) Current portion of lease liabilities is included in (1) Lease liabilities.
(*2) The value of assets and liabilities arising from derivative transactions is shown at net value, and the net liability position is shown in parentheses.

Notes:

(a) Since cash on hand and at banks, notes and accounts receivable - trade, securities (certificates of deposit), notes and accounts payable - trade, and short-term loans are settled in a short period of time, their carrying amount approximates fair value. Accordingly, information about these items is not disclosed.

(b) Carrying amounts of nonmarketable equity securities

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Unlisted equity securities	¥ 560	**¥ 529**	**$ 3,538**
Investments in unconsolidated subsidiaries and affiliates	1,446	**1,549**	**10,359**

The above items are excluded from "(1) Investments in unconsolidated subsidiaries and affiliates and (2) Investment securities – Available-for-sale securities."

(c) Maturity analysis for monetary receivables and securities with maturity at March 31, 2024 and 2025

2024 — Millions of yen

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Cash on hand and at banks	¥ 189,707	¥ —	¥ —	¥ —
Notes and accounts receivable - trade	64,993	—	—	—
Securities:				
Certificates of deposit	65,000	—	—	—
Total	¥ 319,700	¥ —	¥ —	¥ —

2025 — Millions of yen

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Cash on hand and at banks	**¥ 257,471**	**¥ —**	**¥ —**	**¥ —**
Notes and accounts receivable - trade	**63,959**	**—**	**—**	**—**
Total	**¥ 321,430**	**¥ —**	**¥ —**	**¥ —**

2025 — Thousands of U.S. dollars

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Cash on hand and at banks	**$ 1,721,869**	**$ —**	**$ —**	**$ —**
Notes and accounts receivable - trade	**427,733**	**—**	**—**	**—**
Total	**$ 2,149,602**	**$ —**	**$ —**	**$ —**

(d) Annual maturities of lease liabilities
See the note "9. Short-term loans and lease liabilities."

(3) Fair values of financial instruments by level

The fair values of financial instruments are categorized into the following three levels depending on the observability and the significance of inputs used in the fair value measurements.

Level 1 Fair Values: Of observable inputs used in fair value measurement, fair values measured at quoted prices in active markets for identical assets or liabilities

Level 2 Fair Values: Of observable inputs used in fair value measurement, fair values measured using inputs other than Level 1 inputs

Level 3 Fair Values: Fair values measured using unobservable inputs

When using more than one input that is significant to fair value measurement, the Group categorizes the fair value on the basis of the lowest priority level input.

(a) Financial instruments measured at fair value in the consolidated balance sheet

2024 — Millions of yen

	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities:				
Available-for-sale securities	¥ 31,358	¥ —	¥ —	¥ 31,358
Derivative transactions	—	68	—	68

2025 — Millions of yen

	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities:				
Available-for-sale securities	**¥ 29,705**	**¥ —**	**¥ —**	**¥ 29,705**
Derivative transactions	**—**	**(3)**	**—**	**(3)**

2025

Thousands of U.S. dollars

	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities: Available-for-sale securities	**$ 198,656**	**$ —**	**$ —**	**$ 198,656**
Derivative transactions	**—**	**(20)**	**—**	**(20)**

(b) Financial instruments not measured at fair value in the consolidated balance sheet

2024

Millions of yen

	Fair value			
	Level 1	Level 2	Level 3	Total
Investments in unconsolidated subsidiaries and affiliates	¥ 2,161	¥ —	¥ —	¥ 2,161
Assets total	¥ 2,161	¥ —	¥ —	¥ 2,161
Lease liabilities	¥ —	¥ 3,036	¥ —	¥ 3,036
Liabilities total	¥ —	¥ 3,036	¥ —	¥ 3,036

2025

Millions of yen

	Fair value			
	Level 1	Level 2	Level 3	Total
Investments in unconsolidated subsidiaries and affiliates	**¥ 2,164**	**¥ —**	**¥ —**	**¥ 2,164**
Assets total	**¥ 2,164**	**¥ —**	**¥ —**	**¥ 2,164**
Lease liabilities	**¥ —**	**¥ 2,695**	**¥ —**	**¥ 2,695**
Liabilities total	**¥ —**	**¥ 2,695**	**¥ —**	**¥ 2,695**

2025

Thousands of U.S. dollars

	Fair value			
	Level 1	Level 2	Level 3	Total
Investments in unconsolidated subsidiaries and affiliates	**$ 14,472**	**$ —**	**$ —**	**$ 14,472**
Assets total	**$ 14,472**	**$ —**	**$ —**	**$ 14,472**
Lease liabilities	**$ —**	**$ 18,023**	**$ —**	**$ 18,023**
Liabilities total	**$ —**	**$ 18,023**	**$ —**	**$ 18,023**

Note: Valuation techniques used to measure fair value and inputs used in fair value measurement

Investment securities and Investments in unconsolidated subsidiaries and affiliates

The fair values of listed equity securities are estimated based on quoted market prices for the securities. Listed equity securities are traded in active markets, and therefore the fair values are categorized within Level 1 Fair Values.

Derivative transactions

The fair values of foreign exchange forward contracts are measured using observable inputs such as foreign currency exchange rates and are categorized within Level 2 Fair Values.

Lease liabilities

The fair values of lease liabilities are measured by the Discounted Cash Flow Method using interest rates adjusted for the remaining lease term and the credit risk and are categorized within Level 2 Fair Values.

5 Securities

(1) Information about available-for-sale securities

2024

Millions of yen

	Carrying amount	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost: Equity securities	¥ 31,280	¥ 11,011	¥ 20,269
Securities whose carrying amount does not exceed their acquisition cost: Equity securities	78	87	(9)
Other	65,000	65,000	—
	¥ 96,358	¥ 76,098	¥ 20,260

2025

Millions of yen

	Carrying amount	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost: Equity securities	**¥ 29,626**	**¥ 10,530**	**¥ 19,096**
Securities whose carrying amount does not exceed their acquisition cost: Equity securities	**79**	**98**	**(19)**
	¥ 29,705	**¥ 10,628**	**¥ 19,077**

2025

Thousands of U.S. dollars

	Carrying amount	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost: Equity securities	**$ 198,128**	**$ 70,421**	**$ 127,707**
Securities whose carrying amount does not exceed their acquisition cost: Equity securities	**528**	**655**	**(127)**
	$ 198,656	**$ 71,076**	**$ 127,580**

Note: Unlisted equity securities (carrying amount as of March 31, 2024 and 2025 was ¥560 million and ¥529 million ($3,538 thousand), respectively) are not included in the above table because they do not have a quoted market price.

(2) Sales of available-for-sale securities and the aggregate gain and loss

2024

Millions of yen

	Sales proceeds	Aggregate gain	Aggregate loss
Equity securities	¥ 550	¥ 198	¥ —

2025

Millions of yen

	Sales proceeds	Aggregate gain	Aggregate loss
Equity securities	**¥ 1,044**	**¥ 513**	**¥ 0**

2025

Thousands of U.S. dollars

	Sales proceeds	Aggregate gain	Aggregate loss
Equity securities	**$ 6,982**	**$ 3,431**	**$ 0**

(3) Write-down of investments in unconsolidated subsidiaries and affiliates and investment securities

There is no applicable information to be disclosed for the year ended March 31, 2024. During the year ended March 31, 2025, the Group recognized losses on write-down of investment securities of ¥0 million ($0 thousand) for available-for-sale securities and ¥381 million ($2,548 thousand) for investments in unconsolidated subsidiaries and affiliates.

The Group recognizes losses on write-down of investments in unconsolidated subsidiaries and affiliates and investment securities based on the following criteria:

(a) For marketable securities, when the year-end fair values decline by 50% or more compared to their acquisition costs, such securities are written down to the fair values. When the fair values decline by 30% to 50% compared to their acquisition costs, the Group, for an individual stock, comprehends gaps between its fair values and carrying amount on the basis of its market price trend and comprehensively assesses financial ratios and other factors in the financial statements published by the issuer and then writes down unrecoverable securities to their fair values.

(b) For nonmarketable securities, when the values significantly decline due to the deteriorated financial position of the issuer or other factors, the Group recognizes an impairment loss for the amount it considers necessary taking into consideration their recoverability and other factors.

6 Derivative financial instruments

Summarized below are the contract amounts and the fair values of derivative instruments as of March 31, 2024 and 2025, for which hedge accounting has been applied:

2024 Millions of yen

Transaction type	Major hedged item	Contract amount	Contract amount due over one year	Fair value
Foreign exchange forward contracts: Buying U.S. dollar	Forecast transactions (purchases) denominated in foreign currency	¥ 1,093	¥ —	¥ 68
Foreign exchange forward contracts: Buying U.S. dollar (Note)	Accounts payable - trade	97	—	—
Total		¥ 1,190	¥ —	¥ 68

2025 Millions of yen

Transaction type	Major hedged item	Contract amount	Contract amount due over one year	Fair value
Foreign exchange forward contracts: Buying U.S. dollar	Forecast transactions (purchases) denominated in foreign currency	**¥ 1,080**	**¥ —**	**¥ (3)**
Foreign exchange forward contracts: Buying U.S. dollar (Note)	Accounts payable - trade	**103**	**—**	**—**
Total		**¥ 1,183**	**¥ —**	**¥ (3)**

2025 Thousands of U.S. dollars

Transaction type	Major hedged item	Contract amount	Contract amount due over one year	Fair value
Foreign exchange forward contracts: Buying U.S. dollar	Forecast transactions (purchases) denominated in foreign currency	**$ 7,222**	**$ —**	**$ (20)**
Foreign exchange forward contracts: Buying U.S. dollar (Note)	Accounts payable - trade	**689**	**—**	**—**
Total		**$ 7,911**	**$ —**	**$ (20)**

Note: As foreign exchange forward contracts that meet certain criteria are accounted for with accounts payable - trade as hedged items, the fair values of such foreign exchange forward contracts are included in the fair value of the accounts payable - trade.

7 Inventories

Inventories as of March 31, 2024 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Merchandise and finished goods	¥ 18,107	**¥ 18,455**	**$ 123,420**
Work in progress	482	**461**	**3,083**
Raw materials and supplies	18,428	**20,029**	**133,946**
Total	¥ 37,017	**¥ 38,945**	**$ 260,449**

Valuation losses (reversals) due to declines in profitability included in cost of sales for the years ended March 31, 2024 and 2025 were ¥(89) million and ¥66 million ($441 thousand), respectively.

8 Investment and rental properties

The Company and some of its consolidated subsidiaries own rental properties and idle properties in Tokyo and other areas of Japan. Profit from such rental properties (lease revenue is mainly included in net sales, and lease expenses are mainly included in cost of sales) for the years ended March 31, 2024 and 2025 were ¥323 million and ¥296 million ($1,980 thousand), respectively.

The carrying amount, net changes during the year and the fair value of such rental properties as of March 31, 2024 and 2025 were as follows:

Millions of yen			
Carrying amount			Fair value
Balance at April 1, 2023	Increase / (Decrease)	Balance at March 31, 2024	March 31, 2024
¥ 2,550	¥ (221)	¥ 2,329	¥ 5,998

Millions of yen			
Carrying amount			Fair value
Balance at April 1, 2024	Increase / (Decrease)	Balance at March 31, 2025	March 31, 2025
¥ 2,329	**¥ 12**	**¥ 2,341**	**¥ 9,416**

Thousands of U.S. dollars			
Carrying amount			Fair value
Balance at April 1, 2024	Increase / (Decrease)	Balance at March 31, 2025	March 31, 2025
$ 15,576	**$ 80**	**$ 15,656**	**$ 62,971**

Notes:

(a) The carrying amount represents the acquisition cost less accumulated depreciation and accumulated impairment.

(b) The fair value is mainly calculated internally based on the road rating for tax purposes.

9 Short-term loans and lease liabilities

The weighted-average interest rates on short-term loans at March 31, 2024 and 2025 were 0.453% and 0.740%, respectively.

Lease liabilities as of March 31, 2024 and 2025 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Lease liabilities at a weighted-average interest rate of 7.392% for 2024 and 2025	¥ 3,175	¥ 2,961	$ 19,802
Less: Current portion	(289)	(289)	(1,933)
Lease liabilities	¥ 2,886	¥ 2,672	$ 17,869

The aggregate annual maturities of lease liabilities as of March 31, 2025 were as follows:

	Millions of yen	Thousands of U.S. dollars
2026	¥ 289	$ 1,933
2027	284	1,899
2028	281	1,879
2029	270	1,806
2030 and thereafter	1,837	12,285
Total	¥ 2,961	$ 19,802

10 Retirement benefits and pension plans

The Company and its consolidated subsidiaries have funded and unfunded defined benefit plans covering substantially all employees.

Funded defined benefit pension plans provide lump-sum or pension payments based on the current basic salary and the length of service of employees. Unfunded lump-sum severance payment plans provide lump-sum payments based on points. Certain domestic consolidated subsidiaries apply the simplified method where the amount required for voluntary retirement at the balance sheet date is treated as the retirement benefit obligations in order to calculate their liability for retirement benefits and retirement benefit costs.

The tables below include plans to which the simplified method has been applied.

The changes in retirement benefit obligations for the years ended March 31, 2024 and 2025 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Balance at beginning of year	¥ 42,700	¥ 39,023	$ 260,971
Service cost	2,022	1,783	11,924
Interest cost	96	350	2,341
Actuarial gains	(3,773)	(67)	(448)
Benefits paid	(2,022)	(1,698)	(11,356)
Increase due to inclusion of subsidiary in consolidation	—	42	281
Balance at end of year	¥ 39,023	¥ 39,433	$ 263,713

The changes in plan assets for the years ended March 31, 2024 and 2025 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Balance at beginning of year	¥ 22,499	¥ 23,214	$ 155,246
Expected return on plan assets	12	4	27
Actuarial losses	(25)	(169)	(1,130)
Employer contributions	2,116	1,737	11,616
Benefits paid	(1,388)	(1,099)	(7,349)
Balance at end of year	¥ 23,214	¥ 23,687	$ 158,410

Reconciliation between retirement benefit obligations and plan assets and the amounts recognized in the consolidated balance sheets was as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Funded retirement benefit obligations	¥ 30,607	¥ 30,863	$ 206,400
Plan assets	(23,214)	(23,687)	(158,410)
	7,393	7,176	47,990
Unfunded retirement benefit obligations	8,416	8,570	57,313
Net liability for retirement benefits in the consolidated balance sheet	¥ 15,809	¥ 15,746	$ 105,303
Liability for retirement benefits	¥ 15,864	¥ 15,808	$ 105,718
Asset for retirement benefits	(55)	(62)	(415)
Net liability for retirement benefits in the consolidated balance sheet	¥ 15,809	¥ 15,746	$ 105,303

The components of retirement benefit costs for the years ended March 31, 2024 and 2025 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Service cost	¥ 2,022	¥ 1,783	$ 11,924
Interest cost	96	350	2,341
Expected return on plan assets	(12)	(4)	(27)
Amortization of actuarial losses	721	337	2,254
Amortization of past service costs	(321)	—	—
Retirement benefit costs	¥ 2,506	¥ 2,466	$ 16,492

The components of adjustments for retirement benefits recognized in other comprehensive income (before income taxes and income tax effects) for the years ended March 31, 2024 and 2025 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Past service costs	¥ 321	¥ —	$ —
Actuarial gains	(4,469)	(236)	(1,578)
Total	¥ (4,148)	¥ (236)	$ (1,578)

The components of adjustments for retirement benefits recognized in accumulated other comprehensive income (before income taxes and income tax effects) as of March 31, 2024 and 2025 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Unrecognized actuarial gains	¥ (1,441)	¥ (1,676)	$ (11,208)
Total	¥ (1,441)	¥ (1,676)	$ (11,208)

The components of plan assets as of March 31, 2024 and 2025 were as follows:

	2024	2025
Cash on hand and at banks	87%	88%
Life insurance general accounts	13	12
Other	0	0
Total	100%	100%

The expected long-term rate of return on plan assets is determined considering the current and expected allocation of plan assets and the current and expected long-term rates of return derived from various assets constituting plan assets.

Assumptions used for the years ended March 31, 2024 and 2025 were as follows:

	2024	2025
Discount rate	1.0%	1.0–1.6%
Expected long-term rate of return on plan assets	0–0.8%	0–1.2%

*Salary increase index by age determined based on the number of points each job earns is used as an expected salary increase rate.

11 Revenue recognition

Net sales include revenue from contracts with customers and other revenue. In addition, net sales are mostly comprised of revenue from contracts with customers, and revenue from other sources is insignificant.

(1) Disaggregated revenue from contracts with customers

Revenue from contracts with customers is disaggregated as in the note "21. Segment information."

(2) Information to enable users to understand revenue from contracts with customers

Information to enable users to understand revenue from contracts with customers is as stated in the note "2. Summary of significant accounting policies, (14) Basis for recognizing revenue and expenses."

(3) Relationship between the satisfaction of performance obligations in contracts with customers and cash flows arising from the contracts as well as the amount and timing of revenue expected to be recognized in future periods from existing contracts with customers at March 31, 2024 and 2025

(a) Contract balances

The following table presents the balances of receivables from contracts with customers. There were no contract assets or contract liabilities.

	Millions of yen		Thousands of U.S. dollars
	2024	**2025**	**2025**
Receivables from contracts with customers at beginning of year	¥ 59,445	**¥ 65,031**	**$ 434,903**
Receivables from contracts with customers at end of year	65,031	**63,991**	**427,948**

Note: Receivables from contracts with customers are comprised of (i) notes and accounts receivable - trade and (ii) accounts receivable from unconsolidated subsidiaries and affiliates, which are included in amounts due from unconsolidated subsidiaries and affiliates in the consolidated balance sheet. Accounts receivable from unconsolidated subsidiaries and affiliates as of March 31, 2024 and 2025 are ¥38 million and ¥32 million ($215 thousand), respectively.

(b) Transaction price allocated to the remaining performance obligations

The Group does not have any significant transactions with an original expected contract duration of more than one year. All significant consideration from contracts with customers is included in the transaction price.

12 Research and development expenses

Research and development expenses for the years ended March 31, 2024 and 2025 were ¥1,812 million and ¥1,776 million ($11,877 thousand), respectively.

13 Impairment losses on fixed assets

For the years ended March 31, 2024 and 2025, the Company and its consolidated subsidiaries recognized impairment losses on fixed assets for the following groups of assets

2024

Use	Type of assets	Business	Millions of yen 2024
Business assets	Buildings and structures	Frozen and Refrigerated Foods, and Other	¥ 656
	Machinery and equipment	Processed Foods, Frozen and Refrigerated Foods, and Other	732
	Land	Other	356
	Construction in progress	Other	15
	Other	Other	23
	Software	Other	0
			¥ 1,782

2025

Use	Type of assets	Business	Millions of yen 2025	Thousands of U.S. dollars 2025
Business assets	Buildings and structures	Processed Foods	¥ 9	$ 60
	Machinery and equipment	Processed Foods, and Frozen and Refrigerated Foods	10	67
	Other	Other	3	20
			¥ 22	$ 147

The Company and its consolidated subsidiaries group their business assets by business and idle assets by property.

The carrying amounts of impaired business assets were reduced to their recoverable amounts due to reduced profitability. The recoverable amounts were based on value in use. For the year ended March 31, 2024, value in use was determined by discounting the estimated future cash flows at a rate of 10% or determined to be the memorandum value when the future cash flows were expected to be negative. For the year ended March 31, 2025, value in use was determined to be the memorandum value because the future cash flows were expected to be negative.

14 Income taxes

Income taxes applicable to the Company and its domestic consolidated subsidiaries consist of (1) corporation tax, (2) enterprise tax (excluding value added base and capital base) and (3) inhabitants tax which, in the aggregate, resulted in an effective statutory tax rate of approximately 30.6% for the years ended March 31, 2024 and 2025.

The main components of deferred tax assets and liabilities as of March 31, 2024 and 2025 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Deferred tax assets:			
Liability for retirement benefits	¥ 4,878	¥ 4,999	$ 33,431
Loss on write-down of investments in unconsolidated subsidiaries and affiliates	354	484	3,237
Impairment losses on fixed assets	1,383	1,284	8,587
Accrued bonuses	1,006	1,128	7,544
Unrealized losses on intercompany asset transfers	654	667	4,461
Lease liabilities	46	475	3,177
Accrued sales promotion expenses	404	501	3,349
Enterprise tax payable	336	253	1,692
Tax loss carryforwards (a)	295	897	5,999
Other	3,792	2,908	19,448
Gross deferred tax assets	13,148	13,596	90,925
Valuation allowance for tax loss carryforwards (a)	(268)	(884)	(5,912)
Valuation allowance for deductible temporary differences	(3,777)	(3,506)	(23,447)
Less: Total valuation allowance	(4,045)	(4,390)	(29,359)
Total deferred tax assets	9,103	9,206	61,566
Deferred tax liabilities:			
Net unrealized gain on investment securities	(5,989)	(5,787)	(38,701)
Special reserves for deferred gains on fixed assets	(3,109)	(3,063)	(20,484)
Depreciation by overseas consolidated subsidiaries	(2,758)	(3,230)	(21,601)
Unrealized gains on intercompany asset transfers	(265)	(270)	(1,806)
Valuation differences of subsidiaries' assets in consolidation	(103)	(93)	(622)
Leased assets	(47)	(474)	(3,170)
Other	(1,198)	(796)	(5,323)
Total deferred tax liabilities	(13,469)	(13,713)	(91,707)
Net deferred tax liabilities	¥ (4,366)	¥ (4,507)	$ (30,141)

Note:

(a) The expiration of tax loss carryforwards, the related valuation allowance and the resulting net deferred tax assets as of March 31, 2024 and 2025 were as follows:

2024

Millions of yen

	Within 1 year	After 1 year through 2 years	After 2 years through 3 years	After 3 years through 4 years	After 4 years through 5 years	After 5 years	Total
Deferred tax assets relating to tax loss carryforwards (*1)	¥ 7	¥ —	¥ —	¥ —	¥ 1	¥ 287	¥ 295
Less: Valuation allowance for tax loss carryforwards	2	—	—	—	1	265	268
Net deferred tax assets relating to tax loss carryforwards	5	—	—	—	—	22	(*2) 27

2025

Millions of yen

	Within 1 year	After 1 year through 2 years	After 2 years through 3 years	After 3 years through 4 years	After 4 years through 5 years	After 5 years	Total
Deferred tax assets relating to tax loss carryforwards (*1)	¥ —	¥ —	¥ —	¥ 1	¥ —	¥ 896	¥ 897
Less: Valuation allowance for tax loss carryforwards	—	—	—	—	—	884	884
Net deferred tax assets relating to tax loss carryforwards	—	—	—	1	—	12	(*2) 13

2025

Thousands of U.S. dollars

	Within 1 year	After 1 year through 2 years	After 2 years through 3 years	After 3 years through 4 years	After 4 years through 5 years	After 5 years	Total
Deferred tax assets relating to tax loss carryforwards (*1)	$ —	$ —	$ —	$ 7	$ —	$ 5,992	$ 5,999
Less: Valuation allowance for tax loss carryforwards	—	—	—	—	—	5,912	5,912
Net deferred tax assets relating to tax loss carryforwards	—	—	—	7	—	80	(*2) 87

(*1) Deferred tax assets relating to tax loss carryforwards represent the amounts calculated by multiplying the effective statutory tax rate.
(*2) Deferred tax assets of ¥27 million and ¥13 million ($87 thousand) were recognized in relation to tax loss carryforwards of ¥295 million and ¥897 million ($5,999 thousand) (the amounts calculated by multiplying the effective statutory tax rate) as of March 31, 2024 and 2025, respectively, which are expected to be recoverable based on the estimated future taxable income.

The following table summarizes the main differences between the effective statutory tax rate and the actual effective tax rates reflected in the consolidated statements of income for the years ended March 31, 2024 and 2025.

	2024	2025
Effective statutory tax rate	30.6%	30.6%
Permanently non-deductible expenses, including entertainment expenses	0.1	0.2
Permanently non-taxable income, including dividend income	(0.1)	(0.1)
Per capita inhabitants tax	0.1	0.1
Special deduction for corporation tax	(0.3)	(0.6)
Changes in valuation allowance	0.5	0.5
Lower income tax rates applicable to income in certain foreign countries	(7.2)	(6.7)
Other, net	1.0	0.6
Actual effective tax rate	24.7%	24.6%

15 Net assets

Under the Japanese Companies Act (the "Act"), the entire amount paid for new shares is required to be designated as common stock. However, a company may, by resolution at the board of directors' meeting, designate an amount not exceeding one-half of the price of new shares as additional paid-in capital, which is included in capital surplus.

The Act requires that an amount equal to 10% of dividends must be appropriated as a legal earnings reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon payment of such dividends, until the aggregate amount of the legal earnings reserve and additional paid-in capital equals 25% of common stock.

All additional paid-in-capital and legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends by resolution passed by the shareholders.

The maximum amount that a company can distribute as dividends is calculated based on the stand-alone financial statements of the company in accordance with Japanese laws and regulations.

At the general meeting of shareholders held on June 26, 2025, the Company's shareholders approved cash dividends amounting to ¥11,961 million ($79,991 thousand). These cash dividends have not been accrued in the consolidated financial statements as of March 31, 2025 because such appropriations are recognized in the period in which they are approved by the shareholders.

16 Notes to the consolidated statements of changes in net assets

(1) Type and number of shares

Thousands of shares

Common stock issued	2024	2025
Balance at beginning and end of year	110,881	**110,881**

Thousands of shares

Treasury stock	2024	2025
Balance at beginning of year	8,753	**8,754**
Increase due to acquisition resolved by the Board of Directors	—	**2,500**
Increase due to purchase of odd lot shares	1	**0**
Balance at end of year	8,754	**11,254**

(2) Dividends

(a) Dividends paid in the year ended March 31, 2025

The following were approved at the Company's general meeting of shareholders held on June 27, 2024:

Dividends on common stock

a. Total amount of dividends .... ¥11,239 million ($75,162 thousand)
b. Dividend per share ¥110.0 ($0.74)
c. Record date .... March 31, 2024
d. Effective date .... June 28, 2024

The following were approved at the Company's Board of Directors' meeting held on November 8, 2024:

Dividends on common stock

a. Total amount of dividends .... ¥7,974 million ($53,327 thousand)
b. Dividend per share ¥80.0 ($0.54)
c. Record date .... September 30, 2024
d. Effective date .... December 5, 2024

(b) Dividends with a record date in the year ended March 31, 2025 but an effective date in the year ending March 31, 2026

The following were approved at the Company's general meeting of shareholders held on June 26, 2025:

Dividends on common stock

a. Total amount of dividends .... ¥11,961 million ($79,991 thousand)
b. Funds for dividends .... Retained earnings
c. Dividend per share ¥120.0 ($0.80)
d. Record date.. March 31, 2025
e. Effective date .... June 27, 2025

17 Per share information

The basis of the calculation of per share data was as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Net income attributable to owners of parent	¥ 55,654	**¥ 62,867**	**$ 420,431**
Net income attributable to owners of parent related to common stock	55,654	**62,867**	**420,431**

	2024	2025
Weighted-average number of shares of common stock (unit: thousands of shares)	102,127	**100,361**

Information on diluted net income per share is not disclosed because there were no potentially dilutive shares of common stock outstanding during the years ended March 31, 2024 and 2025.

Cash dividends per share are dividends applicable to the respective years, including dividends to be paid after the end of the year.

18 Leases

(1) Finance leases

(a) Finance leases which transfer ownership of leased assets to the lessee

Leased assets include warehouse facilities (buildings and structures, and machinery and equipment) for the Cold-Storage business.

(b) Finance leases which do not transfer ownership of leased assets to the lessee

Leased assets mainly consist of communication devices and office equipment (other).

(2) Operating leases

Future minimum lease payments under non-cancelable operating leases as of March 31, 2024 and 2025 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Due within one year	¥ 26	¥ 25	$ 167
Due after one year	198	170	1,137
	¥ 224	¥ 195	$ 1,304

19 Other comprehensive income

(1) Reclassification adjustments on other comprehensive income for the years ended March 31, 2024 and 2025 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Net unrealized gain (loss) on investment securities:			
Gains (losses) arising during the year	¥ 7,693	¥ (670)	$ (4,481)
Reclassification adjustments	(197)	(512)	(3,424)
	7,496	(1,182)	(7,905)
Net unrealized gain (loss) on hedging instruments:			
Gains (losses) arising during the year	110	(71)	(474)
	110	(71)	(474)
Foreign currency translation adjustments:			
Adjustments arising during the year	18,727	79	528
	18,727	79	528
Adjustments for retirement benefits:			
Adjustments arising during the year	3,748	(101)	(676)
Reclassification adjustments	400	337	2,254
	4,148	236	1,578
Share of OCI of equity-accounted investee:			
Gains (losses) arising during the year	183	(43)	(288)
	183	(43)	(288)
Amount before Income taxes and income tax effects	30,664	(981)	(6,561)
Income taxes and income tax effects	(3,578)	138	923
Total other comprehensive income (loss), net of tax	¥ 27,086	¥ (843)	$ (5,638)

(2) Income taxes and income tax effects on other comprehensive income for the years ended March 31, 2024 and 2025 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Net unrealized gain (loss) on investment securities:			
Amount before income taxes and income tax effect	¥ 7,496	¥ (1,182)	$ (7,905)
Income taxes and income tax effect	(2,301)	202	1,351
Amount, net of tax	5,195	(980)	(6,554)
Net unrealized gain (loss) on hedging instruments:			
Amount before income taxes and income tax effect	110	(71)	(474)
Income taxes and income tax effect	(29)	21	140
Amount, net of tax	81	(50)	(334)
Foreign currency translation adjustments:			
Amount before income taxes and income tax effect	18,727	79	528
Income taxes and income tax effect	—	—	—
Amount, net of tax	18,727	79	528
Adjustments for retirement benefits:			
Amount before income taxes and income tax effect	4,148	236	1,578
Income taxes and income tax effect	(1,248)	(85)	(568)
Amount, net of tax	2,900	151	1,010
Share of OCI of equity-accounted investee:			
Amount before income taxes and income tax effect	183	(43)	(288)
Income taxes and income tax effect	—	—	—
Amount, net of tax	183	(43)	(288)
Total other comprehensive income (loss)			
Amount before income taxes and income tax effects	30,664	(981)	(6,561)
Income taxes and income tax effects	(3,578)	138	923
Amount, net of tax	¥ 27,086	¥ (843)	$ (5,638)

20 Business combination

(1) Outline of business combination

(a) Name of acquiree and its business

Name of acquiree: Fuji Tsukuba Foods, Co., Ltd.

Business: Production of unprocessed fried tofu

(b) Primary reasons for the business combination

Unprocessed fried tofu is used for the Group's many products including "Maruchan Akai Kitsune Udon," its leading product. To ensure the procurement thereof, the Company decided to acquire the equity interests of the acquiree.

(c) Acquisition date

July 3, 2024 (deemed date of acquisition: July 1, 2024)

(d) Legal form of the business combination

Acquisition of equity interests in exchange for cash on hand and at banks

(e) Name of the acquiree after the business combination

Tsukuba Foods Co., Ltd.

(f) Percentage of voting rights acquired

100%

(g) Basis for determining the acquirer

It is based on the fact that the Company acquired 100% of voting rights of the acquiree through the acquisition of its equity interests in exchange for cash on hand and at banks.

(2) The period for which the operating results of the acquiree are included in the consolidated financial statements

From July 1, 2024 to March 31, 2025

(3) Acquisition cost of the acquiree and related details of each class of consideration

		Millions of yen	Thousands of U.S. dollars
		2025	2025
Consideration for acquisition	Cash on hand and at banks	¥ 1,874	$ 12,533
Acquisition cost		¥ 1,874	$ 12,533

(4) Major acquisition-related costs

Advisory and other fees: ¥1 million ($7 thousand)

(5) Amount of goodwill recognized in the business combination, reason for the goodwill recognized, and the method and period of amortization

(a) Amount of goodwill recognized

¥725 million ($4,849 thousand)

(b) Reason for the goodwill recognized

Goodwill was recognized due to expected excess earnings from the future business activities.

(c) Method and period of amortization

The goodwill is amortized on a straight-line basis over 10 years.

(6) The assets acquired and the liabilities assumed on the acquisition date

	Millions of yen	Thousands of U.S. dollars
	2025	2025
Current assets	¥ 52	$ 348
Non-current assets	1,370	9,162
Total assets acquired	¥ 1,422	$ 9,510
Current liabilities	¥ 231	$ 1,545
Non-current liabilities	42	281
Total liabilities assumed	¥ 273	$ 1,826

21 Segment information

(1) Description of reportable segments

The reportable segments of the Group are components for each of which discrete financial information is available and whose respective operating results are regularly reviewed by the Company's Board of Directors to make decisions about resources to be allocated among the Group and assess their performance.

The Group has business units by type of product and service, and each business unit plans a comprehensive strategy for its products and services and engages in business activities. "Overseas Instant Noodles" business is composed of overseas subsidiaries, each of which plans a comprehensive strategy for its products and engages in business activities.

Accordingly, the Group consists of segments by type of product and geographical area based on the business units and overseas subsidiaries and has identified six reportable segments: "Seafood," "Overseas Instant Noodles," "Domestic Instant Noodles," "Frozen and Refrigerated Foods," "Processed Foods," and "Cold-Storage."

The "Seafood" purchases, processes and sells seafood. The "Overseas Instant Noodles" manufactures and sells instant noodles overseas. The "Domestic Instant Noodles" manufactures and sells instant noodles in Japan. The "Frozen and Refrigerated Foods" manufactures and sells frozen and chilled foods. The "Processed Foods" manufactures and sells processed foods excluding instant noodles, and frozen and chilled foods. The "Cold-Storage" refrigerates or freezes and stores food in cold storage warehouses.

(2) Basis of measurement of net sales, income or loss and other items for each reportable segment

The accounting policies of each reportable segment are consistent with those described in the note "2. Summary of significant accounting policies." Segment income or loss corresponds to the Group's operating income. Intersegment sales or transfers are determined taking into consideration the market prices and other factors.

(3) Information about net sales, income or loss and other items for each reportable segment and disaggregated revenue

2024

Millions of yen

	Reportable segment										
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage	Subtotal	Others (a)	Total	Adjustments (b)	Consolidated (c)
Net sales:											
Japan	¥ 29,318	¥ —	¥ 100,094	¥ 56,879	¥ 20,155	¥ 23,997	¥ 230,443	¥ 36,901	¥ 267,344	¥ —	¥ 267,344
Americas	—	221,229	—	—	—	—	221,229	—	221,229	—	221,229
Other	245	—	—	—	—	—	245	195	440	—	440
Net sales (d)	¥ 29,563	¥ 221,229	¥ 100,094	¥ 56,879	¥ 20,155	¥ 23,997	¥ 451,917	¥ 37,096	¥ 489,013	¥ —	¥ 489,013
Net sales to outside customers	¥ 29,563	¥ 221,229	¥ 100,094	¥ 56,879	¥ 20,155	¥ 23,997	¥ 451,917	¥ 37,096	¥ 489,013	¥ —	¥ 489,013
Intersegment sales or transfers	1,207	—	77	11	2	1,081	2,378	36	2,414	(2,414)	—
Total	¥ 30,770	¥ 221,229	¥ 100,171	¥ 56,890	¥ 20,157	¥ 25,078	¥ 454,295	¥ 37,132	¥ 491,427	¥ (2,414)	¥ 489,013
Segment income	¥ 400	¥ 46,319	¥ 9,704	¥ 7,430	¥ 743	¥ 2,283	¥ 66,879	¥ 418	¥ 67,297	¥ (601)	¥ 66,696
Segment assets	¥ 20,770	¥ 202,965	¥ 62,462	¥ 28,461	¥ 19,624	¥ 46,189	¥ 380,471	¥ 17,643	¥ 398,114	¥ 172,881	¥ 570,995
Other items:											
Depreciation and amortization	¥ 340	¥ 6,021	¥ 3,080	¥ 1,030	¥ 1,538	¥ 3,299	¥ 15,308	¥ 1,214	¥ 16,522	¥ 583	¥ 17,105
Increase in property, plant and equipment and intangible assets	361	7,447	1,158	3,897	1,760	2,931	17,554	1,763	19,317	383	19,700

2025

Millions of yen

	Reportable segment										
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage	Subtotal	Others (a)	Total	Adjustments (b)	Consolidated (c)
Net sales:											
Japan	¥ 30,010	¥ —	¥ 103,034	¥ 59,831	¥ 22,151	¥ 25,367	¥ 240,393	¥ 37,400	¥ 277,793	¥ —	¥ 277,793
Americas	—	229,277	—	—	—	—	229,277	—	229,277	—	229,277
Other	324	—	—	—	—	—	324	207	531	—	531
Net sales (d)	¥ 30,334	¥ 229,277	¥ 103,034	¥ 59,831	¥ 22,151	¥ 25,367	¥ 469,994	¥ 37,607	¥ 507,601	¥ —	¥ 507,601
Net sales to outside customers	¥ 30,334	¥ 229,277	¥ 103,034	¥ 59,831	¥ 22,151	¥ 25,367	¥ 469,994	¥ 37,607	¥ 507,601	¥ —	¥ 507,601
Intersegment sales or transfers	1,138	—	100	12	1	1,155	2,406	28	2,434	(2,434)	—
Total	¥ 31,472	¥ 229,277	¥ 103,134	¥ 59,843	¥ 22,152	¥ 26,522	¥ 472,400	¥ 37,635	¥ 510,035	¥ (2,434)	¥ 507,601
Segment income	¥ 855	¥ 54,412	¥ 9,824	¥ 8,045	¥ 28	¥ 2,274	¥ 75,438	¥ 815	¥ 76,253	¥ (764)	¥ 75,489
Segment assets	¥ 20,159	¥ 221,737	¥ 61,095	¥ 32,100	¥ 22,467	¥ 46,377	¥ 403,935	¥ 20,038	¥ 423,973	¥ 171,005	¥ 594,978
Other items:											
Depreciation and amortization	¥ 362	¥ 5,854	¥ 2,971	¥ 1,019	¥ 1,459	¥ 3,588	¥ 15,253	¥ 863	¥ 16,116	¥ 590	¥ 16,706
Amortization of goodwill	—	—	54	—	—	—	54	—	54	—	54
Increase in property, plant and equipment and intangible assets	237	16,217	2,409	5,100	3,477	1,595	29,035	2,741	31,776	2,812	34,588

2025

Thousands of U.S. dollars

	Reportable segment										
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage	Subtotal	Others (a)	Total	Adjustments (b)	Consolidated (c)
Net sales:											
Japan	$ 200,696	$ —	$ 689,052	$ 400,127	$ 148,137	$ 169,645	$ 1,607,657	$ 250,117	$ 1,857,774	$ —	$ 1,857,774
Americas	—	1,533,318	—	—	—	—	1,533,318	—	1,533,318	—	1,533,318
Other	2,167	—	—	—	—	—	2,167	1,384	3,551	—	3,551
Net sales (d)	$ 202,863	$ 1,533,318	$ 689,052	$ 400,127	$ 148,137	$ 169,645	$ 3,143,142	$ 251,501	$ 3,394,643	$ —	$ 3,394,643
Net sales to outside customers	$ 202,863	$ 1,533,318	$ 689,052	$ 400,127	$ 148,137	$ 169,645	$ 3,143,142	$ 251,501	$ 3,394,643	$ —	$ 3,394,643
Intersegment sales or transfers	7,611	—	669	80	7	7,724	16,091	187	16,278	(16,278)	—
Total	$ 210,474	$ 1,533,318	$ 689,721	$ 400,207	$ 148,144	$ 177,369	$ 3,159,233	$ 251,688	$ 3,410,921	$ (16,278)	$ 3,394,643
Segment income	$ 5,718	$ 363,887	$ 65,699	$ 53,802	$ 187	$ 15,208	$ 504,501	$ 5,450	$ 509,951	$ (5,109)	$ 504,842
Segment assets	$ 134,816	$ 1,482,893	$ 408,580	$ 214,673	$ 150,251	$ 310,152	$ 2,701,365	$ 134,006	$ 2,835,371	$ 1,143,616	$ 3,978,987
Other items:											
Depreciation and amortization	$ 2,421	$ 39,149	$ 19,869	$ 6,815	$ 9,757	$ 23,995	$ 102,006	$ 5,771	$ 107,777	$ 3,946	$ 111,723
Amortization of goodwill	—	—	361	—	—	—	361	—	361	—	361
Increase in property, plant and equipment and intangible assets	1,585	108,453	16,110	34,107	23,253	10,667	194,175	18,331	212,506	18,806	231,312

Notes:

(a) "Others" represent operating segments that are not included in the reportable segments and include the packed lunches and deli foods business.

(b) The details of "Adjustments" are as follows:

1) The adjustments for segment income of ¥(601) million and ¥(764) million ($(5,109) thousand) for the years ended March 31, 2024 and 2025 include corporate expenses not allocable to each reportable segment of ¥(1,484) million and ¥(930) million ($(6,219) thousand), adjustments for inventories of ¥(29) million and ¥61 million ($408 thousand), and other adjustments of ¥912 million and ¥105 million ($702 thousand), respectively. The corporate expenses mainly consist of general and administrative expenses which are not attributable to a specific reportable segment. Other adjustments for the year ended March 31, 2024 mainly comprise the eliminated amount of know-how payments from overseas subsidiaries, and those for the year ended March 31, 2025 mainly comprise the offsetting against non-operating transactions.

2) The adjustments for segment assets of ¥172,881 million and ¥171,005 million ($1,143,616 thousand) as of March 31, 2024 and 2025 include corporate assets not allocable to each reportable segment of ¥171,403 million and ¥169,192 million ($1,131,492 thousand), and other adjustments of ¥1,478 million and ¥1,813 million ($12,124 thousand), respectively. The corporate assets as of March 31, 2024 mainly consist of securities (certificates of deposit) of the Company and assets related to administrative departments, and those as of March 31, 2025 mainly consist of cash on hand and at banks of the Company and assets related to administrative departments. The corporate assets as of March 31, 2025 include software in progress for system integration of ¥2,509 million ($16,779 thousand). After its completion, it will be allocated mainly to the Domestic Instant Noodles, the Frozen and Refrigerated Foods and the Processed Foods. Other adjustments mainly resulted from the application of the equity method.

3) The adjustments for depreciation and amortization of ¥583 million and ¥590 million ($3,946 thousand) for the years ended March 31, 2024 and 2025 include corporate expenses not allocable to each reportable segment of ¥556 million and ¥551 million ($3,685 thousand), and other adjustments of ¥27 million and ¥39 million ($261 thousand), respectively. The corporate expenses mainly consist of general and administrative expenses which are not attributable to a specific reportable segment. Other adjustments mainly comprise the depreciation of idle assets recorded in non-operating expenses.

4) The adjustments for increase in property, plant, and equipment and intangible assets of ¥383 million and ¥2,812 million ($18,806 thousand) for the years ended March 31, 2024 and 2025 consist of corporate assets not allocable to each reportable segment. The increase in the corporate assets during the year ended March 31, 2025 includes an increase in software in progress for system integration of ¥2,323 million ($15,535 thousand). After its completion, it will be allocated mainly to the Domestic Instant Noodles, the Frozen and Refrigerated Foods and the Processed Foods.

(c) Segment income or loss is reconciled with operating income on the consolidated statements of income.

(d) Net sales primarily consist of revenue from contracts with customers, and revenue from other sources is insignificant.

(4) Information by geographical area

(a) Net sales

2024 — Millions of yen

	Japan	Americas (U.S.A)	Others	Total
Net sales	¥ 267,344	¥ 221,229 (¥ 144,883)	¥ 440	¥ 489,013

2025 — Millions of yen

	Japan	Americas (U.S.A)	Others	Total
Net sales	**¥ 277,793**	**¥ 229,277** **(¥ 144,120)**	**¥ 531**	**¥ 507,601**

2025 — Thousands of U.S. dollars

	Japan	Americas (U.S.A)	Others	Total
Net sales	**$ 1,857,774**	**$ 1,533,318** **($ 963,820)**	**$ 3,551**	**$ 3,394,643**

Notes:

1) Net sales are disaggregated by country or geographical area based on the location of customers.

2) The following are major countries or geographical areas included in "Americas" and "Others":

Americas……………………U.S.A. and Mexico

Others………………………Taiwan

(b) Property, plant and equipment

2024

Millions of yen

	Japan	Americas (U.S.A)	Total
Property, plant and equipment	¥ 115,015	¥ 51,848 (¥ 51,846)	¥ 166,863

2025

Millions of yen

	Japan	Americas (U.S.A)	Total
Property, plant and equipment	**¥ 121,974**	**¥ 61,625** **(¥ 61,617)**	**¥ 183,599**

2025

Thousands of U.S. dollars

	Japan	Americas (U.S.A)	Total
Property, plant and equipment	**$ 815,716**	**$ 412,125** **($ 412,071)**	**$ 1,227,841**

(5) Information about major customers

2024

Name of customer	Net sales (Millions of yen)	Related reportable segment
MITSUI & CO., LTD.	¥ 123,979	Domestic Instant Noodles and other

2025

Name of customer	Net sales (Millions of yen)	Net sales (Thousands of U.S. dollars)	Related reportable segment
MITSUI & CO., LTD.	**¥ 129,035**	**$ 862,937**	Domestic Instant Noodles and other

(6) Information about impairment losses on fixed assets for each reportable segment

2024

Millions of yen

	Reportable segment								
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage	Others	Adjustments and eliminations	Total
Impairment losses	¥ —	¥ —	¥ —	¥ 128	¥ 28	¥ —	¥ 1,626	¥ —	¥ 1,782

2025

Millions of yen

	Reportable segment								
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage	Others	Adjustments and eliminations	Total
Impairment losses	**¥ —**	**¥ —**	**¥ —**	**¥ 4**	**¥ 16**	**¥ —**	**¥ 2**	**¥ —**	**¥ 22**

2025

Thousands of U.S. dollars

	Reportable segment								
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage	Others	Adjustments and eliminations	Total
Impairment losses	**$ —**	**$ —**	**$ —**	**$ 27**	**$ 107**	**$ —**	**$ 13**	**$ —**	**$ 147**

(7) Information about amortization and unamortized balance of goodwill and gain on bargain purchase for each reportable segment

There is no applicable information to be disclosed for the year ended March 31, 2024.

2025

Millions of yen

	Reportable segment								
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage	Others	Adjustments and eliminations	Total
Amortization	¥ —	¥ —	¥ 54	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 54
Unamortized balance at end of year	—	—	671	—	—	—	—	—	671

2025

Thousands of U.S. dollars

	Reportable segment								
	Seafood	Overseas Instant Noodles	Domestic Instant Noodles	Frozen and Refrigerated Foods	Processed Foods	Cold-Storage	Others	Adjustments and eliminations	Total
Amortization	$ —	$ —	$ 361	$ —	$ —	$ —	$ —	$ —	$ 361
Unamortized balance at end of year	—	—	4,487	—	—	—	—	—	4,487

There is no applicable information to be disclosed about gain on bargain purchase for the year ended March 31, 2025.

22 Subsequent event

Acquisition of treasury stock

The Board of Directors of the Company passed a resolution about the acquisition of the Company's own shares at the Board of Directors' meeting held on May 12, 2025 pursuant to the provisions set forth in Article 156 of the Companies Act of Japan, which are applied following the deemed replacement of terms pursuant to the provisions of Article 165, paragraph (3) of the same act, as follows:

(1) Reason for acquisition of own shares

The Company decided to acquire its own shares to implement its capital policy flexibly, taking into consideration comprehensively its business environment, financial positions and other factors in the years ended March 31, 2025 and ending March 31, 2026.

(2) Details of acquisition

(a) Type of shares to be acquired	Common stock
(b) Total number of shares to be acquired	Up to 3,000,000 shares (proportion of the shares to common stock shares outstanding: 3.01%)
(c) Total acquisition price	Up to ¥23,500 million ($157,159 thousand)
(d) Period during which shares can be acquired	From May 13, 2025 to May 12, 2026
(e) Method of acquisition	Acquisition through a discretionary investment account during regular trading sessions on the Tokyo Stock Exchange

Independent auditor's report

To the Board of Directors of Toyo Suisan Kaisha, Ltd.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Toyo Suisan Kaisha, Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheets as at March 31, 2025 and 2024, the consolidated statements of income and comprehensive income, changes in net assets and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Appropriateness of the Company's judgment as to whether an impairment loss should be recognized on property, plant and equipment used in the packaged cooked rice business within the Processed Foods Segment

The key audit matter	How the matter was addressed in our audit
As described in Note 2 (16), "Significant accounting estimates" to the consolidated financial statements, the Company recognized property,	The primary procedures we performed to assess whether the Company's judgment with respect to the recognition of an impairment loss on property,

plant and equipment used in the packaged cooked rice business within the Processed Foods Segment of ¥6,725 million in the consolidated balance sheet for the current fiscal year, which accounted for approximately 1.1% of the total assets in the consolidated balance sheet. While these assets are depreciated in a systematic manner, they are tested for impairment whenever there is an impairment indicator. The impairment test is performed by comparing the undiscounted future cash flows that are expected to be generated from the asset groups with their carrying amounts. If the recognition of an impairment loss is deemed necessary, the carrying amount is reduced to the recoverable amount, and the resulting decrease in the carrying amount is recognized as an impairment loss. For the packaged cooked rice business within the Processed Foods Segment, an impairment indicator was identified as the business environment was not consistently stable due to considerable uncertainty about sales quantity and the upward trend in production costs such as raw material in recent months, in addition to the initial capital expenditures. Accordingly, the Company made a judgment as to whether an impairment loss should be recognized for the current fiscal year. The undiscounted future cash flows, which were used to make this judgment, were estimated based on the mid-term business plan of the packaged cooked rice business prepared by management. In developing this mid-term business plan, the forecasted growth of the packaged cooked rice market and rice prices in the future were identified as key assumptions. Accordingly, the mid-term business plan involved a high degree of uncertainty and management's judgment thereon had a significant effect on the estimated undiscounted future cash flows. We, therefore, determined that our assessment of the appropriateness of the Company's judgment as to whether an impairment loss should be recognized on property, plant and equipment used in the packaged cooked rice business within the Processed Foods Segment was of most significance in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	plant and equipment used in the packaged cooked rice business within the Processed Foods Segment was appropriate included the following: **(1) Internal control testing** We tested the design and operating effectiveness of certain of the Company's internal controls relevant to the Company's judgment with respect to the recognition of an impairment loss on property, plant and equipment used in the packaged cooked rice business within the Processed Food Segment. In this assessment, we focused our testing on internal controls designed to prevent or detect any potential/actual use of inappropriate assumptions for forecasting the growth of the packaged cooked rice market and rice prices in the future, which were included in the mid-term business plan. **(2) Assessment of the appropriateness of the estimated undiscounted future cash flows expected to be generated from the packaged cooked rice business within the Processed Foods Segment** In order to assess the appropriateness of the key assumptions used for estimating the undiscounted future cash flows, we evaluated the accuracy of the mid-term business plans of the packaged cooked rice business within the Processed Foods Segment that formed the basis for estimating undiscounted future cash flows by comparing the historical mid-term business plans with the actual results. In addition, based on the result of this evaluation, we inquired of management and of personnel responsible for the packaged cooked rice business within the Processed Foods Segment about the basis for the key assumptions utilized for developing the mid-term business plan. In addition, we: ● performed a trend analysis of the forecasted growth of the packaged cooked rice market in the future by comparing them with the previous years' results for each major product group and assessed the consistency with the forecasts published by external analysts; ● performed a trend analysis of the forecasted rice prices by comparing them with the historical trend of rice prices and assessed the appropriateness of the assumptions of the

	future projections included in the mid-term business plan; and ● evaluated the alternative assumptions used by management in the scenario for estimating the undiscounted future cash flows and their impact, and assessed the appropriateness of management's evaluation of the uncertainty in the estimates.

Other Information

The other information comprises the information included in the ANNUAL REPORT 2025, but does not include the consolidated financial statements, the financial statements, and our auditor's reports thereon. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with corporate auditors and the board of corporate auditors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries for the current year are 247 million yen and 17 million yen, respectively.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2025 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company and its subsidiaries which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Yoshichika Kaneko

Designated Engagement Partner

Certified Public Accountant

Takuo Tanabe

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Tokyo Office, Japan

June 26, 2025

CORPORATE DATA

AS OF MARCH 31, 2025

Head Office	13-40, Konan 2-chome, Minato-ku, Tokyo 108-8501, Japan
	Tel.: +81-3-3458-5111
Date of Establishment	March 25, 1953
Number of Plants	7
Number of Sales Offices	30
Number of Refrigerated Warehouses	16
Number of Subsidiaries and Affiliates	32
Number of Employees (Consolidated)	4,696
Consolidated Net Sales	¥507,601 million
Common Stock	Total Number of Shares Issuable: 427,000,000 shares
	Total Number of Shares Issued and Outstanding: 110,881,044 shares
	Paid-in Capital: ¥18,969 million
Number of Shareholders	17,234
Stock Exchange Listing	Tokyo (#2875)
Stock Transfer Agent	Sumitomo Mitsui Trust Bank, Limited, in Tokyo
General Shareholders' Meeting	The General Shareholders' Meeting is usually held before the end of June in Tokyo.

CORPORATE PROFILE

Since its beginnings at Tokyo's Tsukiji Market in 1953, where Toyo Suisan began its business of exporting frozen tuna, the company has grown into a diversified food products manufacturer, currently engaged not only in the business of seafood products, but in cold-storage and food processing businesses as well. We have always striven to generate new value.

We have created many long-selling products such as *Maruchan Yakisoba* chilled noodles, launched in 1975; *Akai Kitsune Udon*, launched in 1978; and *Midori no Tanuki Ten Soba*, launched in 1980. *Maruchan Seimen*, which was launched in 2011, has received high acclaim for creating new value in bag-type noodles.

In 1972, we established Maruchan, Inc. in Los Angeles, U.S.A. as our local subsidiary and today have four plants in the U.S. that produce instant noodles and a structure to supply North America.

We formulated the slogan "Smiles for All. Everything for a smile." in 2009, in the course of our development. The Toyo Suisan Group remains united in wanting to put a smile on the face of each of our shareholders and stakeholders through providing safe and delicious products and impeccable service.

TOYO SUISAN