オカムラ食品工業

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Supplementary Material on Financial Results for the Nine Months Ended March 31, 2025



May 14, 2025
Okamura Foods Co., Ltd. (2938)

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Summary of Q3 Financial Results

KPI for Growth

Domestic aquaculture harvest

Planned harvest in 2025: 3,500 tons (+800 tons YoY)

- Currently farming for harvest from April to July 2025. No particular abnormalities are noted at this time.

Net sales of Overseas Wholesale Business

¥8.6 billion in Q3 (77.5% of target)

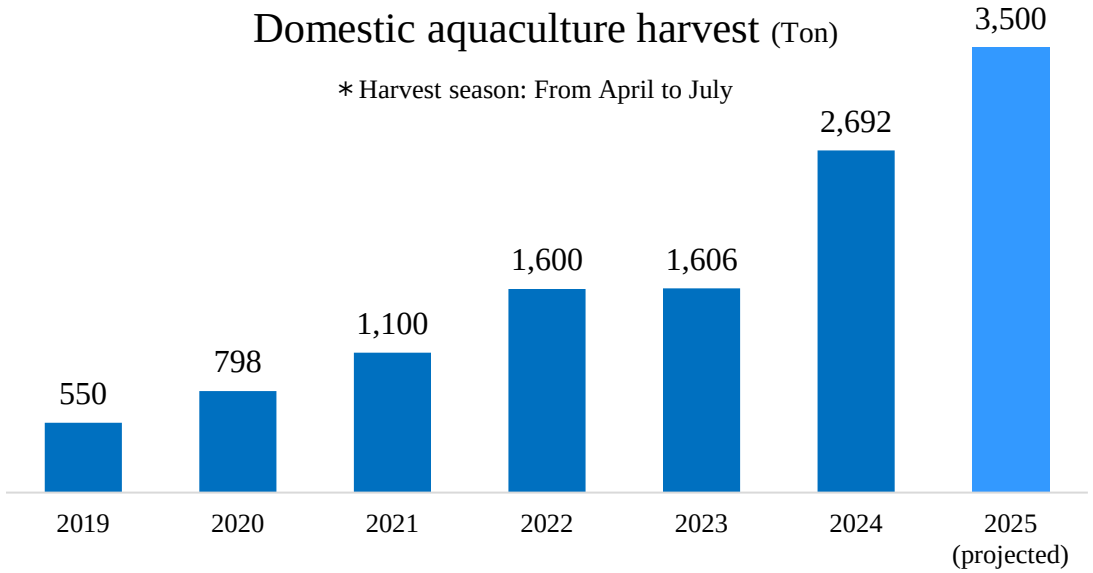
- Full-year sales target is ¥11.1 billion. At this time, sales are generally in line with the plan.

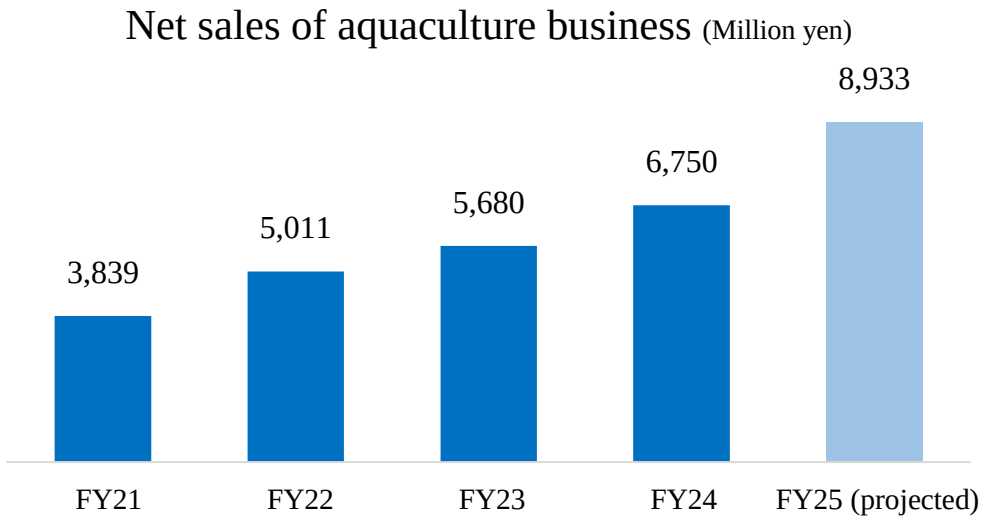
Q3 Financial Results

Consolidated net sales **+¥2.4 billion YoY**	• Overall, progress was steady in relation to the figure of the full-year forecast. • However, the impact of the global decline in the supply of Atlantic salmon belly raw materials was significant. Similarly to Q2, sales in the Overseas Processing Business fell below the level of the previous Q3.
Consolidated operating profit **+¥0.4 billion YoY**	• Consolidated net sales increased, and operating profit also grew by ¥0.4 billion. • Overall, progress was steady in relation to the figure of the full-year forecast.

KPI for Growth (1) Increase domestic aquaculture harvest

One of the Group's growth drivers is an expansion of the domestic aquaculture harvest. We plan to increase the domestic aquaculture harvest to 3,500 tons in the 2025 season (from April to July 2025) (up 800 tons compared with the 2024 season). Acclimation (*) at the end of last year was also completed as planned.





Main factors for increase in aquaculture harvest during this season

- Recovery of intermediate aquaculture facility (Fukaura-machi, Aomori Prefecture) that was hit by a disaster and had been unusable since August 2022
- Use of outside aquaculture facilities



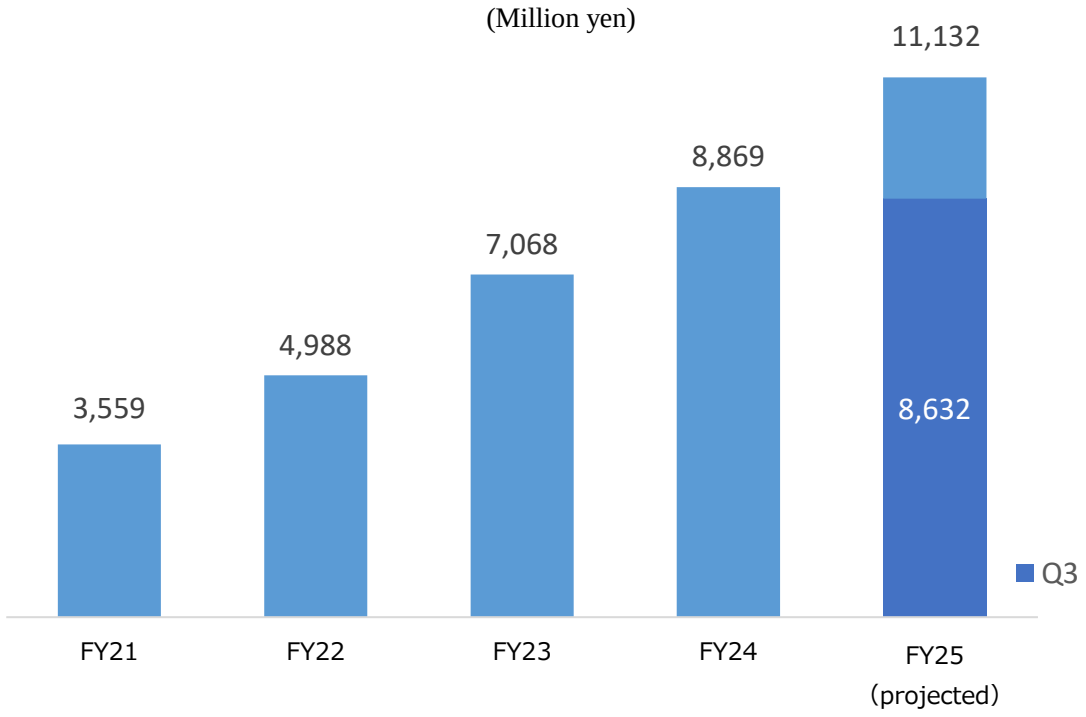
*Including net sales of subsidiaries in Denmark (Aquaculture Business)

*Acclimation is the process of gradually increasing the salinity of freshwater to sea water to acclimate the fish to the salinity of sea water during the transition from freshwater to sea water aquaculture.

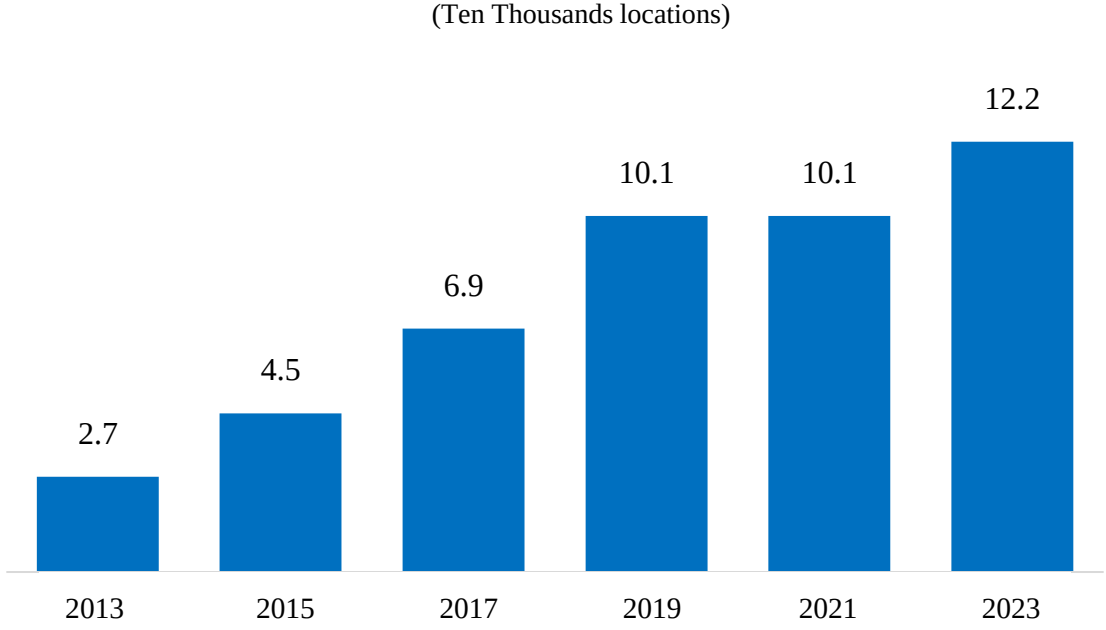
KPI for Growth (2) Increase net sales of Overseas Wholesale Business

The Overseas Wholesale Business, the other growth driver, remained steady against a background of expansion of the Japanese food market in Asia, reporting net sales of ¥8,632 million (up ¥2,331 million year on year, including the effects of foreign currency translation) for the nine months ended March 31, 2025.

Net sales of Overseas Wholesale Business



Approximate number of Japanese restaurants in Asia



(Sources) "Approximate Number of Japanese Restaurants Overseas (2023)," Ministry of Agriculture, Forestry and Fisheries, October 13, 2023
"Approximate Number of Japanese Restaurants Overseas (2021)," Ministry of Agriculture, Forestry and Fisheries, September 30, 2021
"Introduction of the Ministry of Agriculture, Forestry and Fisheries' Program to Expand Overseas Demand for Japanese Products by Disseminating the Appeal of Japanese Food and Food Culture," Ministry of Agriculture, Forestry and Fisheries, September 2018
"Overseas Spread of Japanese Food and Food Culture" Ministry of Agriculture, Forestry and Fisheries, June 2013

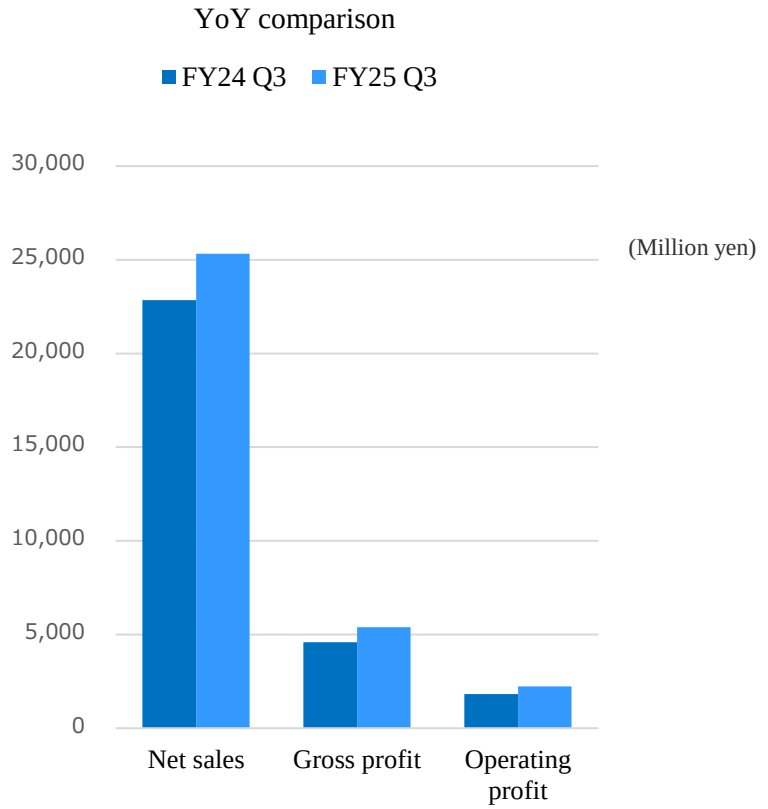
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Summary of Consolidated Financial Results (1)

Net sales increased by ¥2.4 billion year on year, and operating profit increased by ¥0.4 billion year on year, remaining strong overall. Ordinary profit increased by ¥0.08 billion year on year. There was a foreign currency loss of ¥0.12 billion on accounts receivable in foreign currencies, etc. (foreign currency gain of ¥0.14 billion in the nine months ended March 31, 2024).

(Million yen)

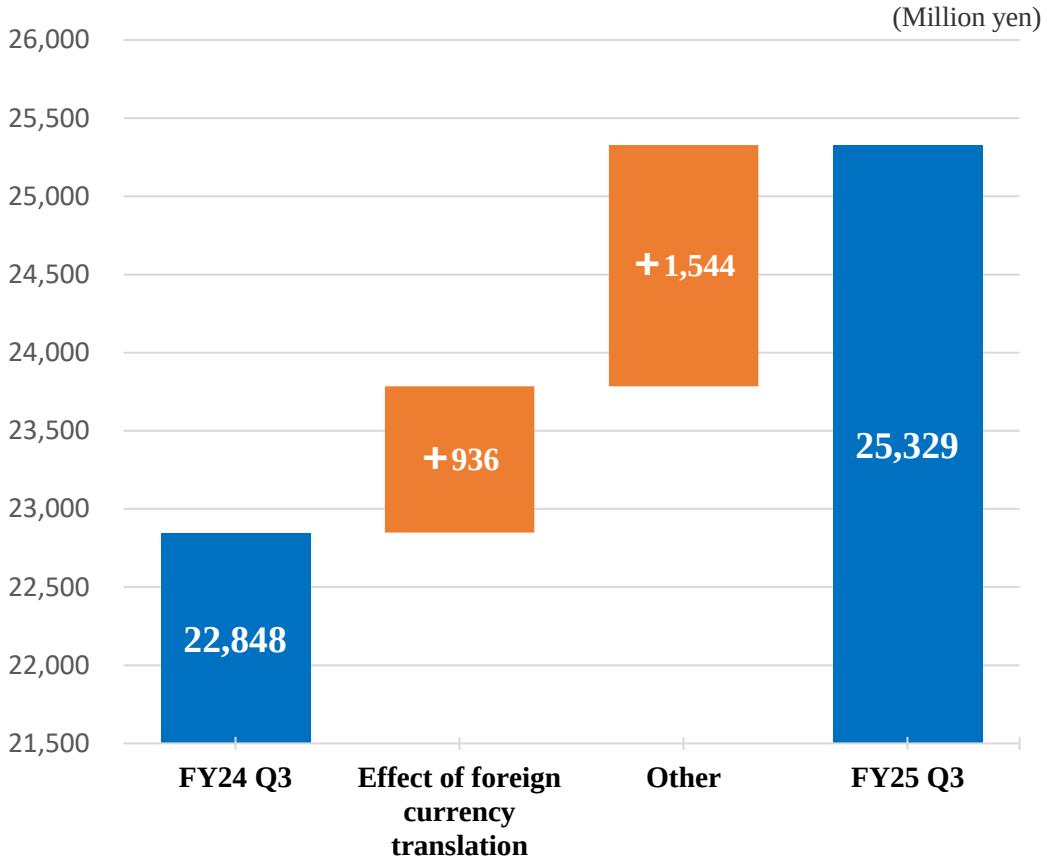
	FY24 Q3	FY25 Q3		FY25 Plan	
		Amount	YoY change	Amount	YoY change
Net sales	22,848	**25,329**	10.9%	36,119	10.6%
Gross profit	4,587	**5,395**	17.6%		
Operating profit	1,830	**2,233**	22.0%	3,212	26.1%
Ordinary profit	2,041	**2,125**	4.1%	2,949	0.6%
Net income attributable to owners of the parent	1,374	**1,588**	15.6%	2,093	6.4%



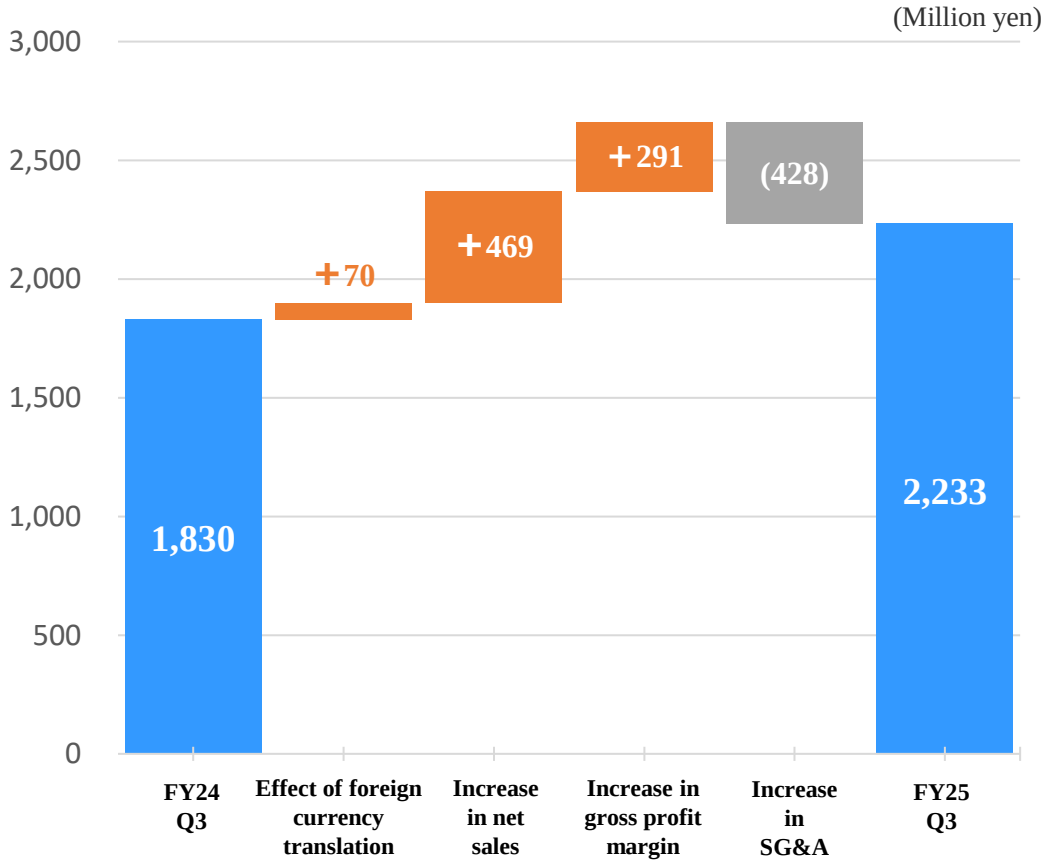
Summary of Consolidated Financial Results (2)

Net sales increased by ¥1,544 million, excluding the effect of foreign currency translation in a weakening yen environment.
Operating profit increased by ¥402 million, owing to the effect of a profit increase by sales gains and an increase in gross profit margin.

Breakdown of changes in consolidated net sales



Breakdown of changes in operating profit



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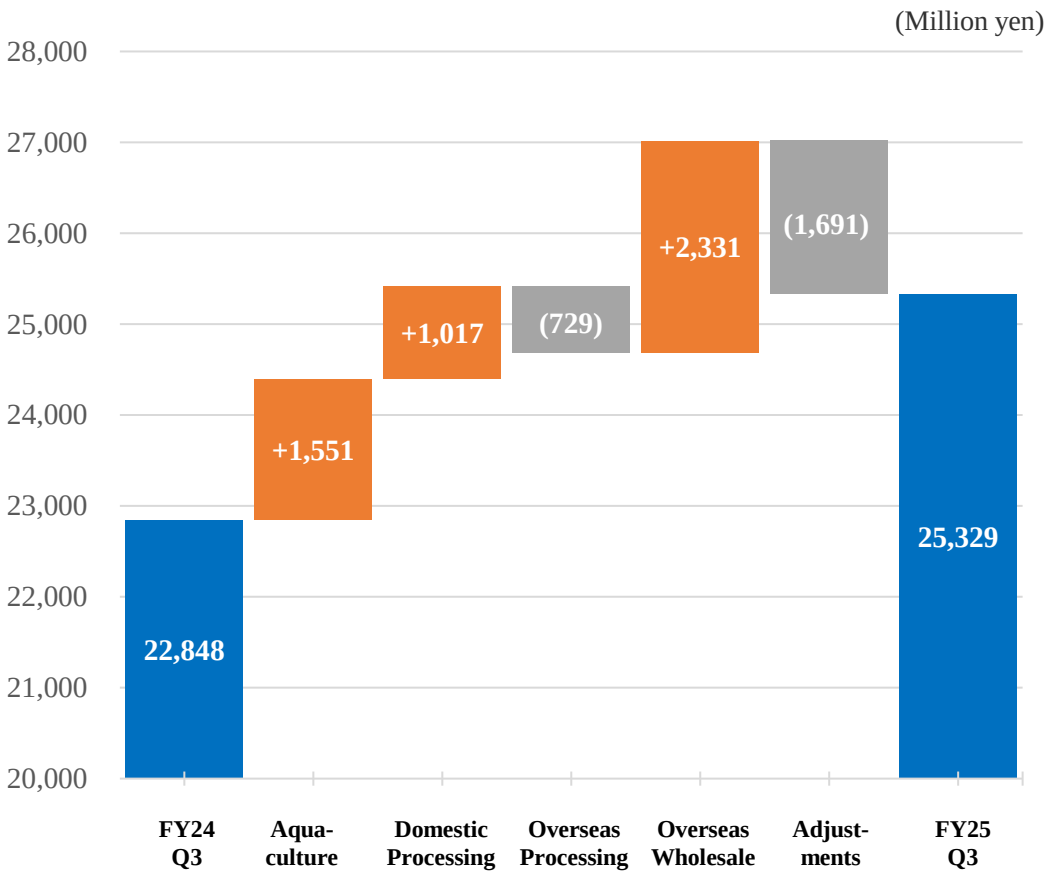
Summary of Segment Information

(Million yen)

	FY24 Q3	FY25 Q3	YoY change	YoY change in %	Breakdown of changes		
					Effect of foreign currency translation	Changes in real terms	YoY change in %
Net sales	**22,848**	**25,329**	**2,481**	**10.9**	**936**	**1,544**	**6.8**
Aquaculture	3,709	5,261	1,551	41.8	180	1,371	37.0
Domestic Processing	6,334	7,352	1,017	16.1	—	1,017	16.1
Overseas Processing	11,225	10,496	(729)	(6.5)	3	(732)	(6.5)
Overseas Wholesale	6,301	8,632	2,331	37.0	752	1,579	25.1
Adjustments	(4,723)	(6,414)	(1,691)	—	—	(1,691)	—
Segment profit	**1,830**	**2,233**	**402**	**22.0**	**70**	**331**	**18.1**
Aquaculture	593	742	148	25.1	31	117	19.8
Domestic Processing	900	953	53	5.9	—	53	5.9
Overseas Processing	713	770	56	8.0	(1)	58	8.1
Overseas Wholesale	196	453	257	131.3	39	217	110.9
Adjustments	(573)	(687)	(114)	—	—	(114)	—

Changes in Net Sales by Segment

Changes in net sales by segment



Supplementary explanation for changes

Aquaculture +1,551 YoY

- This was due to steady consumption of the carryover of inventory from the previous year both inside and outside Japan. The increase in domestic carryover of inventory is the result of an increase in aquaculture harvest. The increase in overseas carryover of inventory is the result of sales being carried over to FY2025 due to factors such as the status of customers' inventories. In addition, rising fish roe prices overseas are also a positive factor.

Domestic Processing +1,017 YoY

- Fish roe market prices rose due to a decrease in the domestic supply of fish roe. Sales of the Company's trout roe, which was relatively inexpensive, increased, resulting in increased sales.

Overseas Processing (729) YoY

- Sales of Atlantic salmon belly, a key product, fell sharply due to a decrease in the global supply of raw materials.

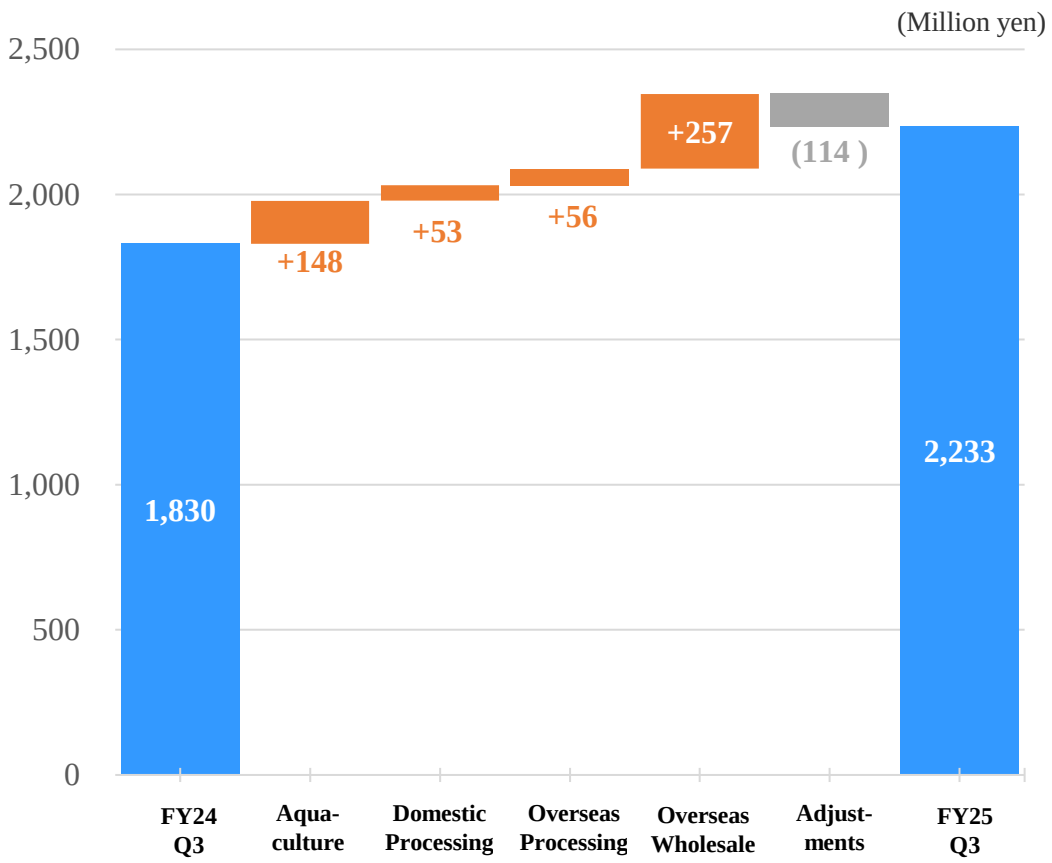
Overseas Wholesale +2,331 YoY

- The market environment remained favorable, with the number of openings of Japanese restaurants continuing to increase. The existing trend of sales growth continued.

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Changes in Operating Profit by Segment

Changes in operating profit by segment



Supplementary explanation for changes

Aquaculture +148 YoY

- Fish roe sales prices rose compared to the previous term, resulting in increased profits.

Domestic Processing +53 YoY

- Fish roe market prices rose due to a decrease in the domestic supply of fish roe. Sales of the Company's trout roe, which was relatively inexpensive, increased, resulting in increased sales and profits.

Overseas Processing +56 YoY

- Affected by rising selling prices for belly and other fish species.

Overseas Wholesale +257 YoY

- In addition to increased sales, the effect of the weak yen, etc. led to increased profit margins.

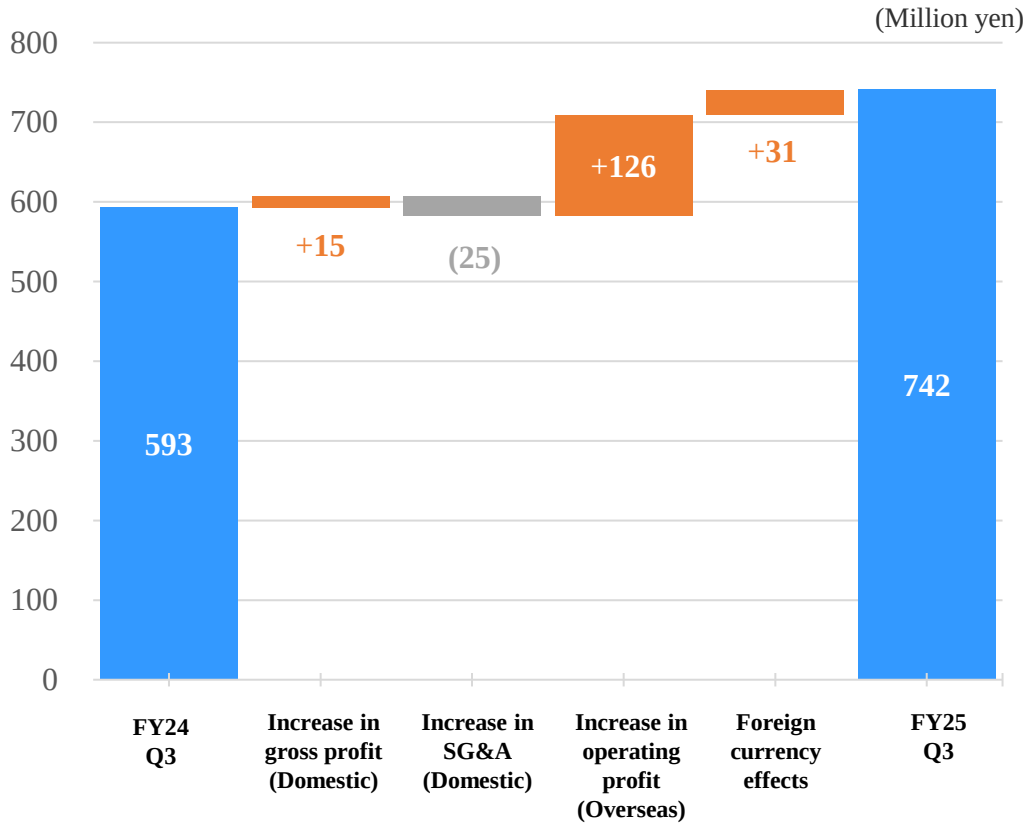
Adjustments (114) YoY

- Mainly due to unrealized gains and losses on consolidated inventories.

Breakdown of Changes in Segment Profit (Aquaculture Business)

Due to a supply shortage in the fish roe market, the seles price of fish roe in the overseas aquaculture business improved, resulting in an increase in operating profit.

Changes in segment profit



Supplementary explanation for changes

Impact of increase in gross profit (Domestic) ＋15 YoY

- Sales and gross profit rose due to greater fresh produce sales volume resulting from harvest conducted until July and steady sales of carryover of frozen inventory from the previous year.

Impact of increase in SG&A (Domestic) (25) YoY

- Affected by higher transportation expenses, etc. due to increased sales volume.

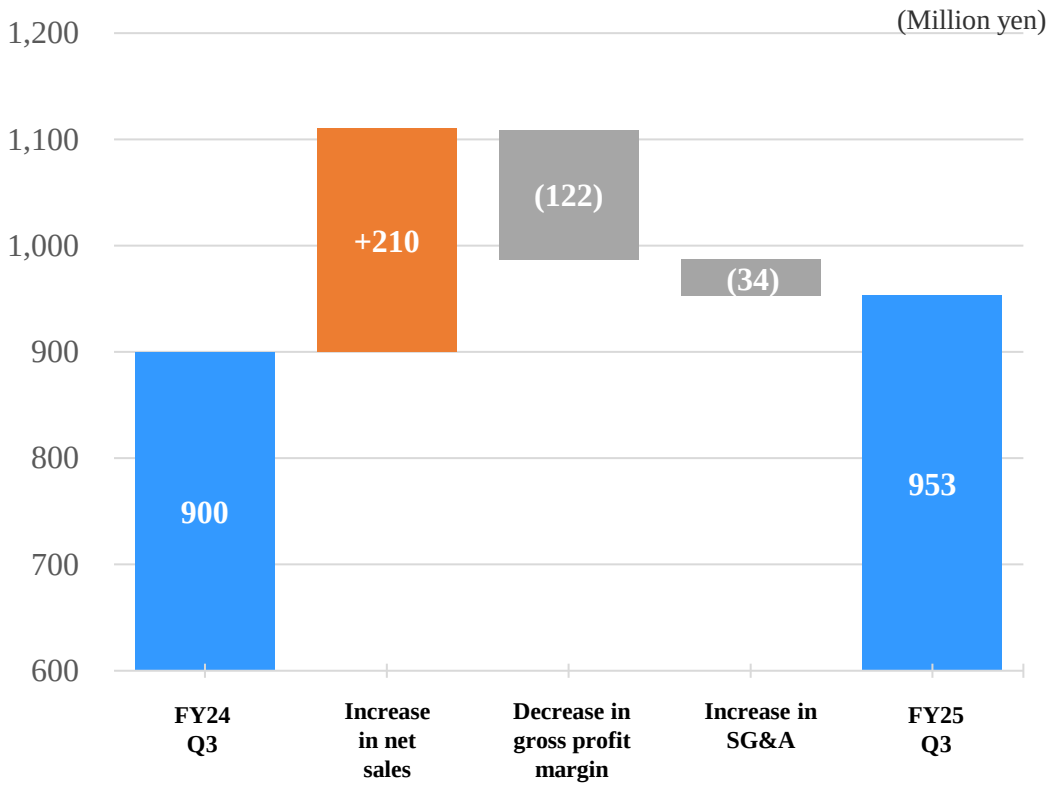
Impact of increase in operating profit (Overseas) ＋126 YoY

- Sales prices rose compared to the nine months ended March 31, 2024, resulting in increased operating profit. Unit selling prices of fish roe in the nine months ended March 31, 2024 were lower than those in the current fiscal year due to the market conditions for fish roe.
- On the other hand, the operating profit did not reach the budget. Growth was slower than expected, and farming costs per weight were higher than budgeted, leading to a decrease in operating profit.

Breakdown of Changes in Segment Profit (Domestic Processing Business)

Increased sales led to a recovery from Q3 of the previous fiscal year, despite a decrease in gross profit margin due to a rise in the unit prices of raw materials.

Changes in segment profit



Supplementary explanation for changes

Impact of increase in net sales +210 YoY

- Fish roe market prices rose due to a decrease in the domestic supply of fish roe. Sales of the Company's trout roe, which was relatively inexpensive, increased, resulting in increased sales.

Impact of decrease in gross profit margin (122) YoY

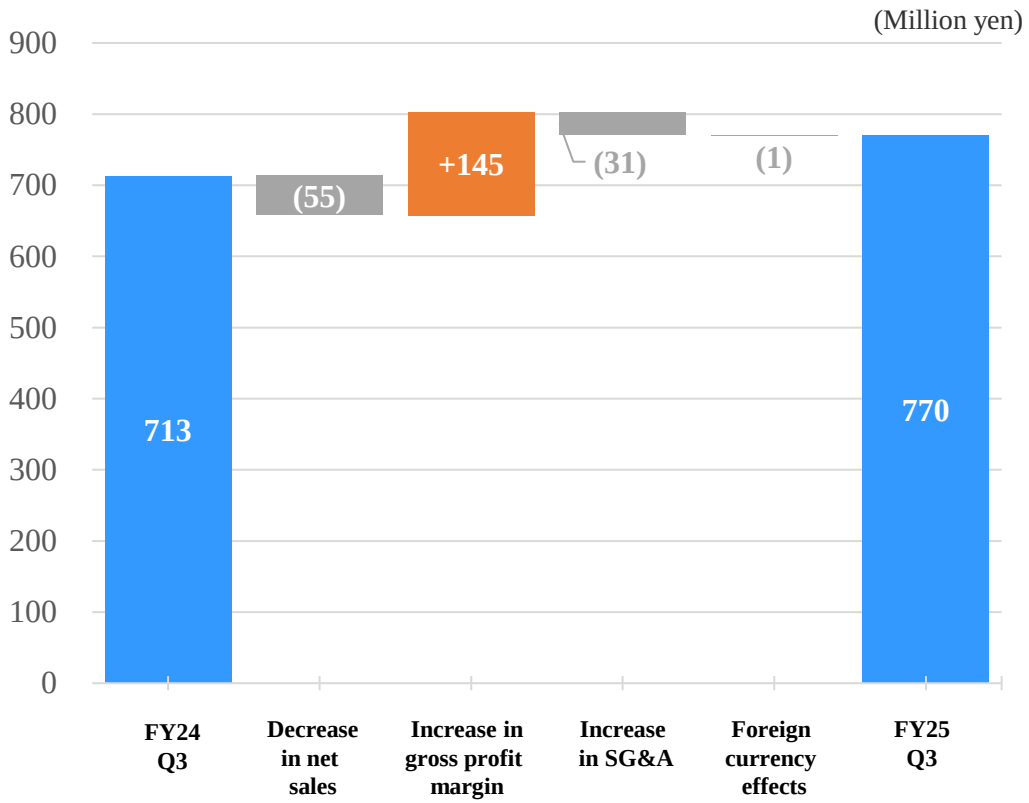
- Unit prices of raw materials for new products for the current fiscal year rose significantly due to a decrease in the supply of fish roe raw materials, and margins fell despite increases in selling prices.

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Breakdown of Changes in Segment Profit (Overseas Processing Business)

Processing and sales of belly decreased both inside and outside Japan due to a shortage of belly raw materials, while selling prices rose due to a shortage of raw materials. As a result, segment profit increased by ¥56 million.

Changes in segment profit



Supplementary explanation for changes

Impact of decrease in net sales (55) YoY

- Sales of Atlantic salmon belly, which is the Company's main product, decreased both inside and outside Japan due to a continued reduction in supply of raw materials. We are currently in the process of procuring raw materials, including other fish products.

Impact of increase in gross profit margin +145 YoY

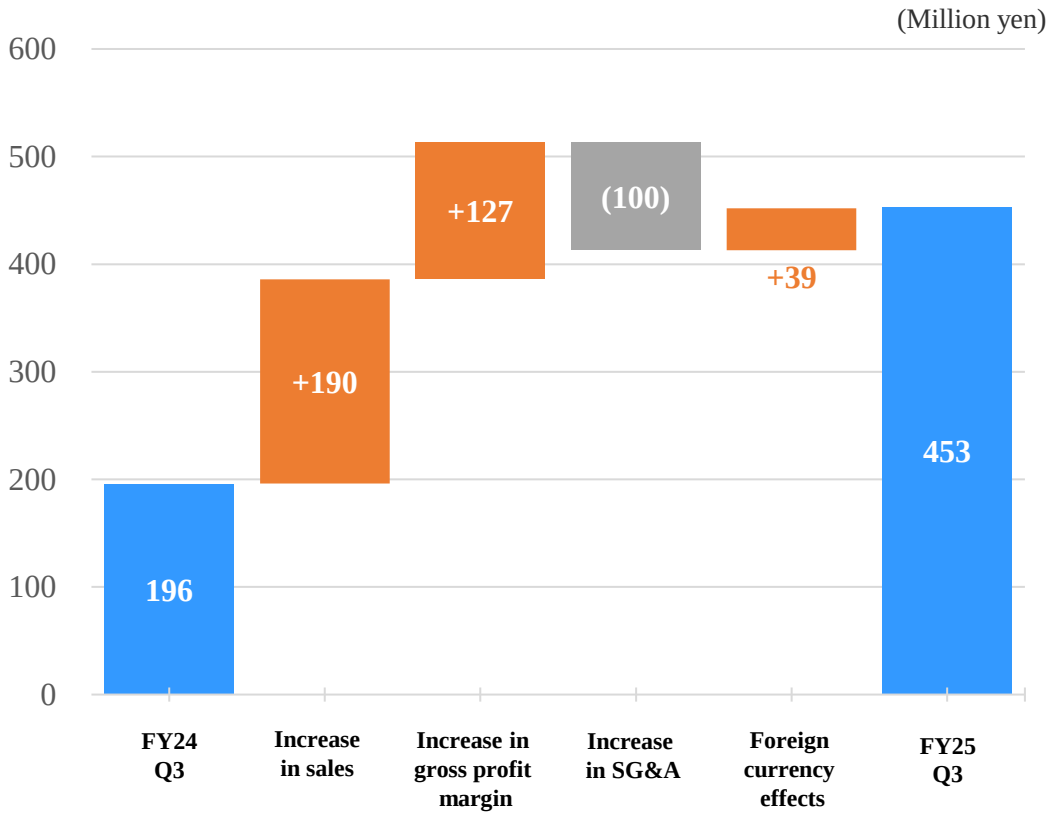
- Although the supply of raw materials for belly decreased significantly, the unit selling prices rose. Prices of other fish species also rose, which pushed up margins.

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Breakdown of Changes in Segment Profit (Overseas Wholesale Business)

Segment profit increased by ¥257 million, mainly due to increased sales.

Changes in segment profit



Supplementary explanation for changes

Impact of increase in net sales +190 YoY

- Japanese food market in Asia continued to expand, forming a background for increased sales in this business. This contributed to an increase in profits.

Impact of increase in gross profit margin +127 YoY

- Due to the weaker yen compared with the nine months ended March 31, 2024, purchasing prices in local currencies decreased and margins improved.

Impact of increase in SG&A (100) YoY

- In the previous fiscal year, SG&A temporarily rose due to concentrated investment in personnel and equipment, but SG&A has leveled off in the current fiscal year.
- However, net sales increased significantly, and SG&A rose year on year.

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Summary of Changes in Balance Sheet

(Million yen)

Assets	As of June 30, 2024	As of March 31, 2025	Changes
Current assets	**29,249**	**33,292**	**4,042**
Cash and deposits	4,835	6,640	1,805
Trade receivables, etc.	4,371	3,360	(1,010)
Inventories	16,846	19,605	2,758
Other	3,196	3,685	489
Non-current assets	**9,920**	**10,287**	**366**
Property, plant and equipment	9,211	9,615	403
Intangible assets	266	267	1
Investments and other assets	442	404	(38)
Total Assets	**39,170**	**43,579**	**4,409**

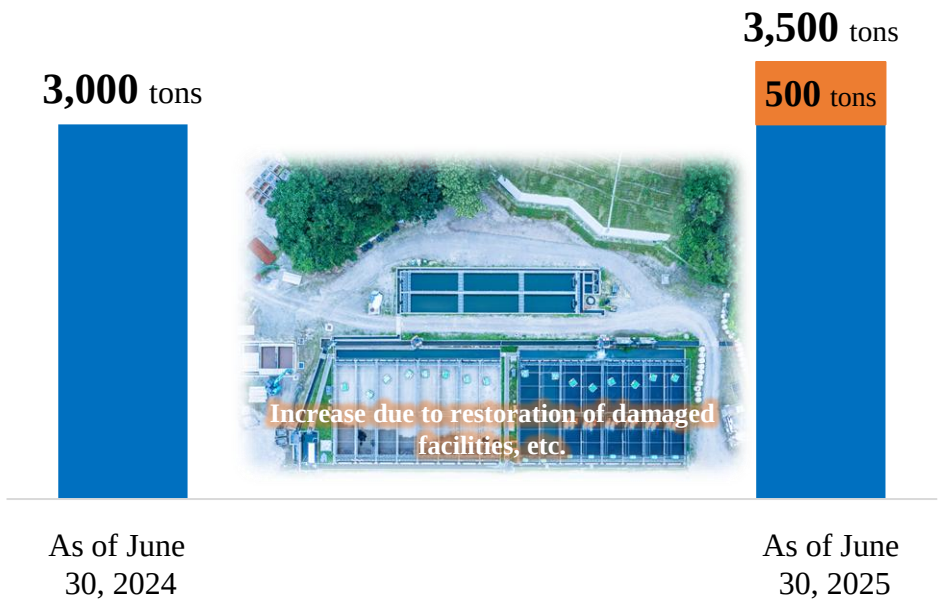
Liabilities	As of June 30, 2024	As of March 31, 2025	Changes
Current liabilities	**19,119**	**22,686**	**3,567**
Trade payables	1,314	1,568	254
Borrowings	13,554	16,804	3,249
Other	4,250	4,312	63
Non-current liabilities	**5,899**	**5,158**	**(740)**
Borrowings	4,053	3,213	(839)
Other	1,845	1,944	99
Total Liabilities	**25,019**	**27,845**	**2,826**
Net assets			
Total Net Assets	**14,151**	**15,734**	**1,582**

- Increase in inventories: Inventory increased due to increases in work in process in the Aquaculture Business (Farmed fish is harvested in Q3 overseas and Q4 in Japan. Before harvest, work in process for farmed fish increases.) and the purchasing season for domestic processing.
- For progress in capital investment, see pages 18 and 19.

Situation of Aquaculture Facilities (Domestic/In Operation)

- In an effort to Achieving Medium-Term Management Targets for 2030, one issue is increasing the capacity of aquaculture facilities, especially that of intermediate aquaculture where a bottleneck in capacity expansion exists. The intermediate aquaculture capacity (weight converted to adult farmed fish estimated by the Company) for FY 2025 is 3,500 tons.
- On the other hand,Our offshore aquaculture capacity is approximately 15,000 tons, and we have already secured sufficient capacity to achieve our 2030 target (12,000 tons).

Capacity of intermediate aquaculture farms



Capacity of offshore aquaculture farms



[Reference] Aquaculture harvest of the 2024 season: 2,692 tons

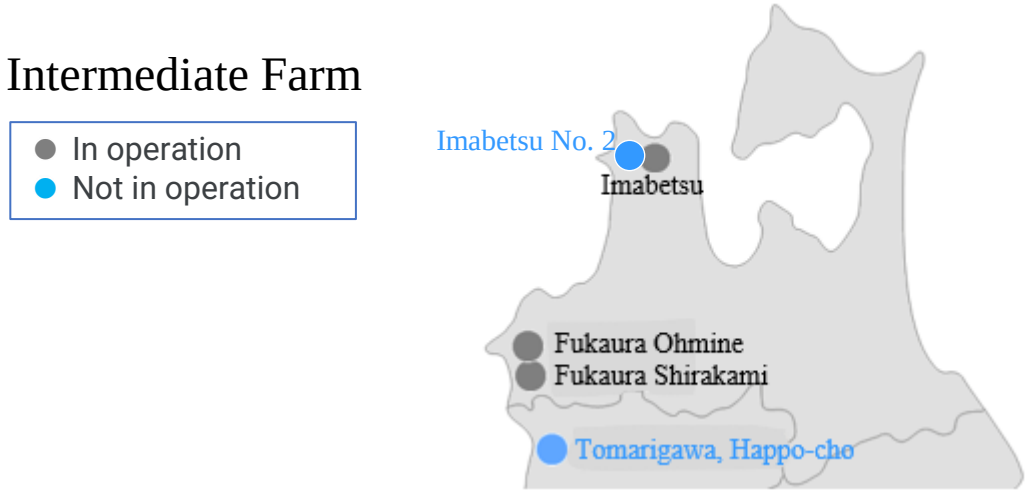
∗ All tonnage represents approximate weight converted into adult farmed fish, which is estimated by the Company

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Situation of Aquaculture Facilities (Domestic/Under construction)

The Tomarigawa Intermediate Farm, currently under construction, is expected to contribute to harvest in FY2027.
The site for the Imabetsu No.2 Intermediate Farm has been acquired, and design is currently underway.

Intermediate aquaculture farm currently under construction for extension			
	Estimated production volume of intermediate fish (Ton)	**Estimated production volume of adult fish (Ton)**	**Expected contribution to harvest**
Tomarigawa Intermediate Farm (Happo-cho, Akita Prefecture)	250	1,050	FY2027
Imabetsu No. 2 Intermediate Farm	250	1,050	TBD





Construction site of Tomarigawa Intermediate Farm (Photo taken in March 2025)

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II. Plan for FY2025



Repost of announcement on August 9, 2024
(no revision to full-year plan)

Overview of Plan for Full-Year Business Performance

- Planning consolidated net sales of ¥36.1 billion, up ¥3.4 billion year on year, mainly due to higher sales in the Aquaculture Business in line with an aquaculture harvest increase, and higher sales in the Overseas Wholesale Business against a background of market growth.
- Planning consolidated operating profit of ¥3.2 billion, up ¥0.6 billion, due to sales growth mentioned above.

[Consolidated]

(Million yen)	Net sales	Operating profit	Ordinary profit (*)	Net income attributable to owners of the parent	Net income per share
Results for FY2024 (a)	32,665	2,548	2,932	1,968	252.16
Plan for FY2025 (b)	**36,119**	**3,212**	**2,949**	**2,093**	268.18
Changes (b-a)	3,453	664	16	134	—
YoY change	10.6%	26.1%	0.6%	6.4%	—

*Ordinary profit of FY2024 includes foreign currency gain of ¥355 million (foreign currency gain related to accounts receivable in foreign currencies, etc.)

Repost of announcement on August 9, 2024
(no revision to full-year plan)

Plan for Full-Year Business Performance by Segment

(Million yen)	FY2024 results (a)	FY2025 plan (b)	(b-a)
Net sales	**32,665**	**36,119**	**3,453**
Aquaculture	6,750	8,933	2,183
Domestic Processing	8,279	8,205	(73)
Overseas Processing	15,255	15,373	117
Overseas Wholesale	8,869	11,132	2,262
Adjustments	(6,489)	(7,526)	(1,036)
Segment profit	**2,548**	**3,212**	**664**
Aquaculture	772	1,476	703
Domestic Processing	1,089	1,215	126
Overseas Processing	1,064	852	(212)
Overseas Wholesale	254	415	161
Adjustments	(632)	(746)	(114)

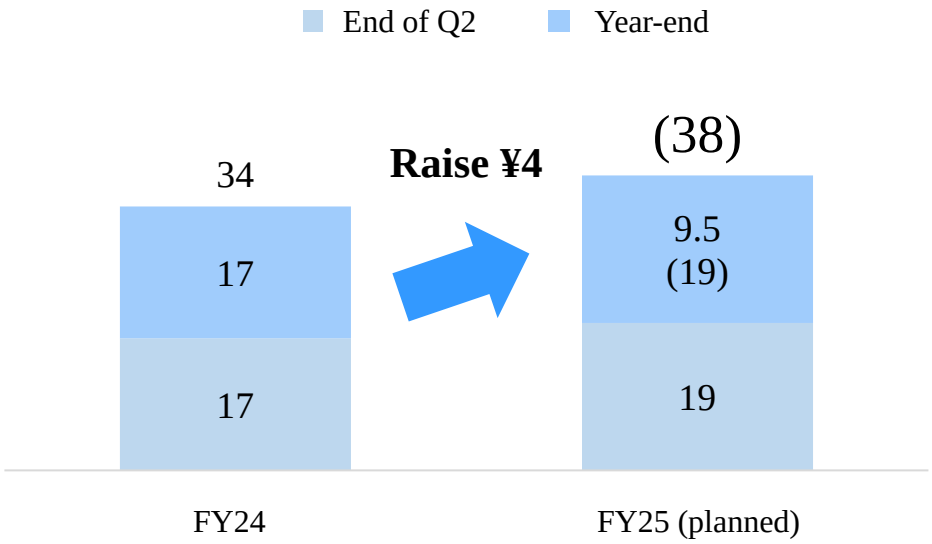
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Shareholder Returns

Dividends

Dividend policy	Strive to continuously increase dividends with a target dividend-to-equity（DOE） ratio of 2% or more

Trends in dividends per share (Yen)



* Figures in parentheses have been calculated on a pre-split basis

Shareholder special benefit plan

Purpose	Increasing awareness of our products and businesses Enhancing the investment appeal of our shares
Target	Shareholders who hold one unit (100 shares) or more at the end of the fiscal year
Special gift Contents	Food products farmed or processed by our company **100 to 199 shares** Approximately 5,000 yen **200 shares or more** Approximately 7,000 yen





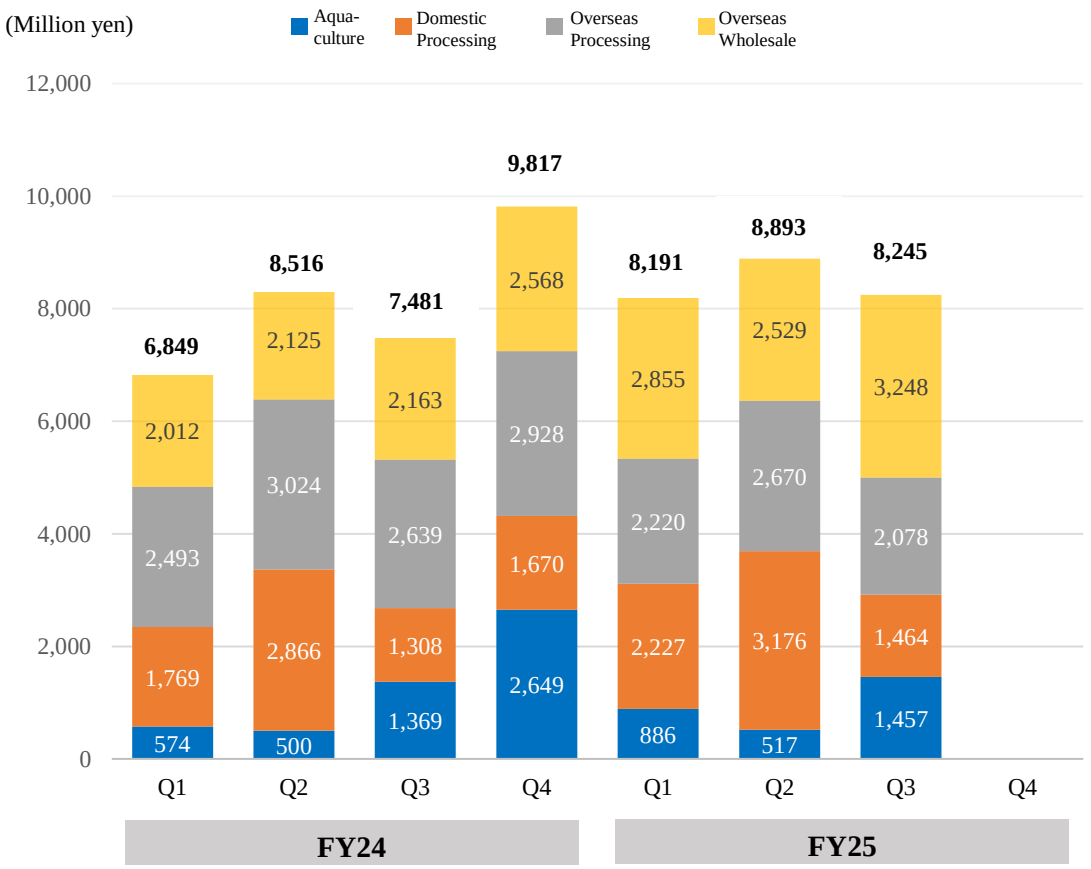
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III.　Reference Materials



Quarterly Seasonal Fluctuations (Net sales)

☐ Quarterly trends by segment (net sales to external customers)



<Main seasonal factors by segment>

○ Aquaculture Business

Sales tend to be concentrated during the harvest season. The harvest season for domestic aquaculture is from April to July (mainly in Q4), and for aquaculture in Denmark is from October to December (Q3; accounting dates may differ).

○ Domestic Processing Business

Due to the nature of the products we handle (trout, salmon and herring roe), sales tend to be concentrated during the year-end sales season (Q2) and then take a downturn at the beginning of the year.

○ Overseas Processing Business

There are no significant seasonal factors.

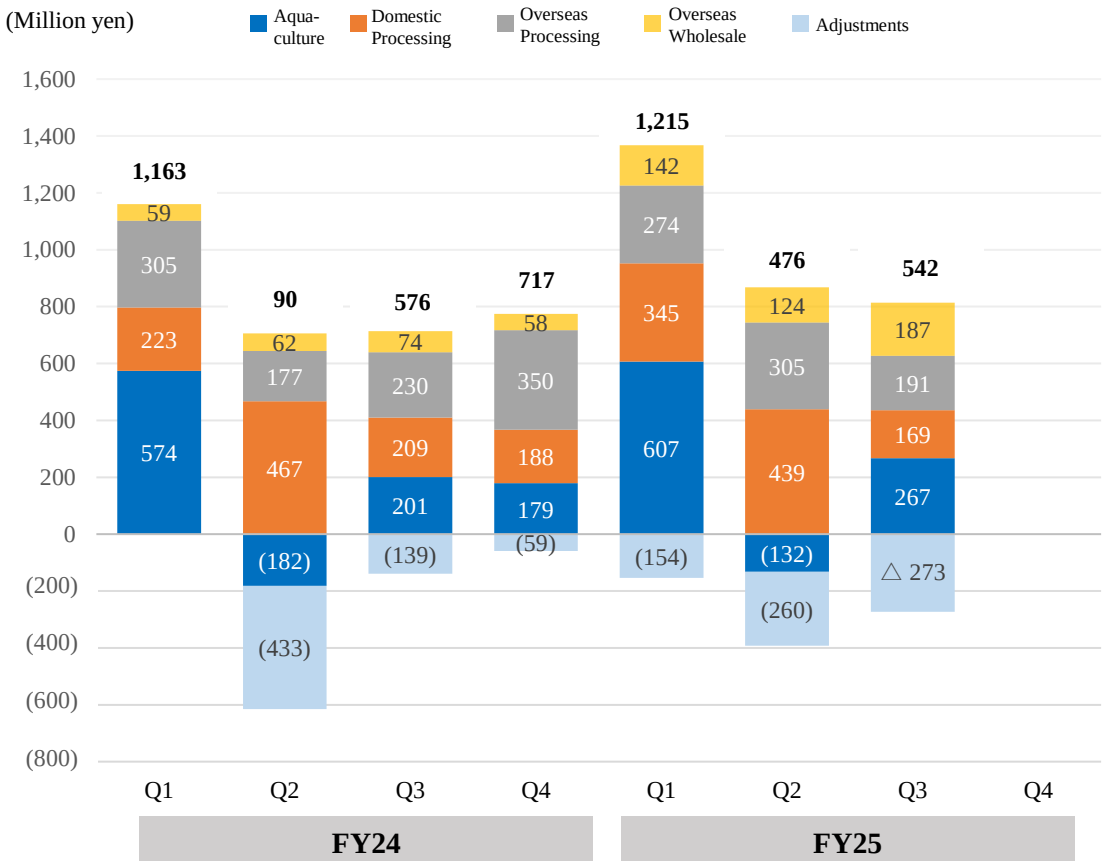
○ Overseas Wholesale Business

There are no significant seasonal factors.

(Note)
The above are explanations of seasonal factors in typical years. Please note that actual results may differ due to various other factors.

Quarterly Seasonal Fluctuations (Segment profit)

☐ Quarterly trends by segment (segment profit)



<Main seasonal factors by segment>

○ Aquaculture Business

Q1

Although Q1 is not the harvest season in Japan or overseas, estimated annual sales and profits for our Danish subsidiary (under IFRS) are recorded in full in Q1.

Q2

Since Q2 is not the harvest season in Japan or overseas, sales and profits tend to be low.

Q3

Q3 is the harvest season for the Danish subsidiary. Estimated differences in sales and profits (differences from actual results) for the Danish subsidiary tend to be recorded in Q3.

Q4

Q4 is the harvest season for domestic aquaculture. Most of sales and profits from domestic aquaculture tend to be recorded during Q4.

○ Domestic Processing Business / Overseas Processing Business / Overseas Wholesale Business

See the previous page.

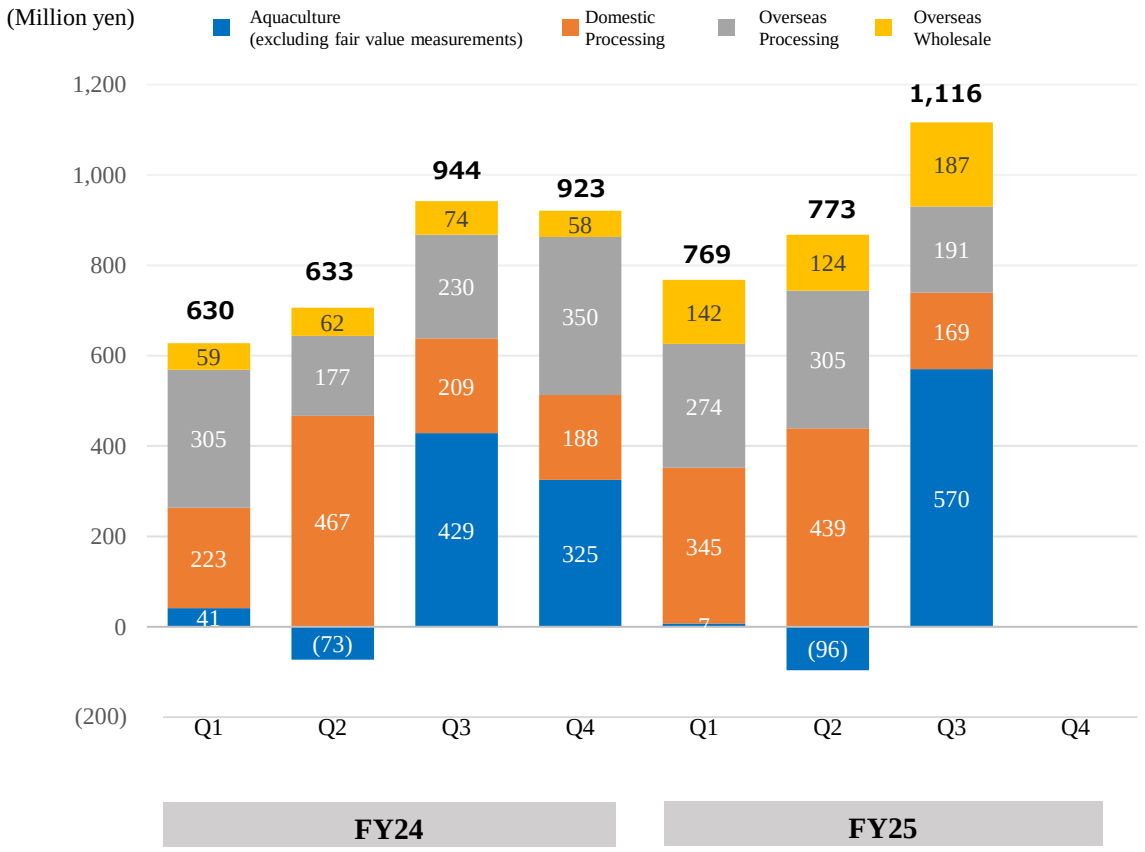
○ Adjustments

In addition to company-wide expenses, these adjustments include the deduction of unrealized inventory profits arising from inter-Group transactions, most of which tend to be recorded in Q2.

(Note) The above are explanations of seasonal factors in typical years. Please note that actual results may differ due to various other factors.

Quarterly Seasonal Fluctuations (excluding fair value measurement gains and losses under IAS 41)

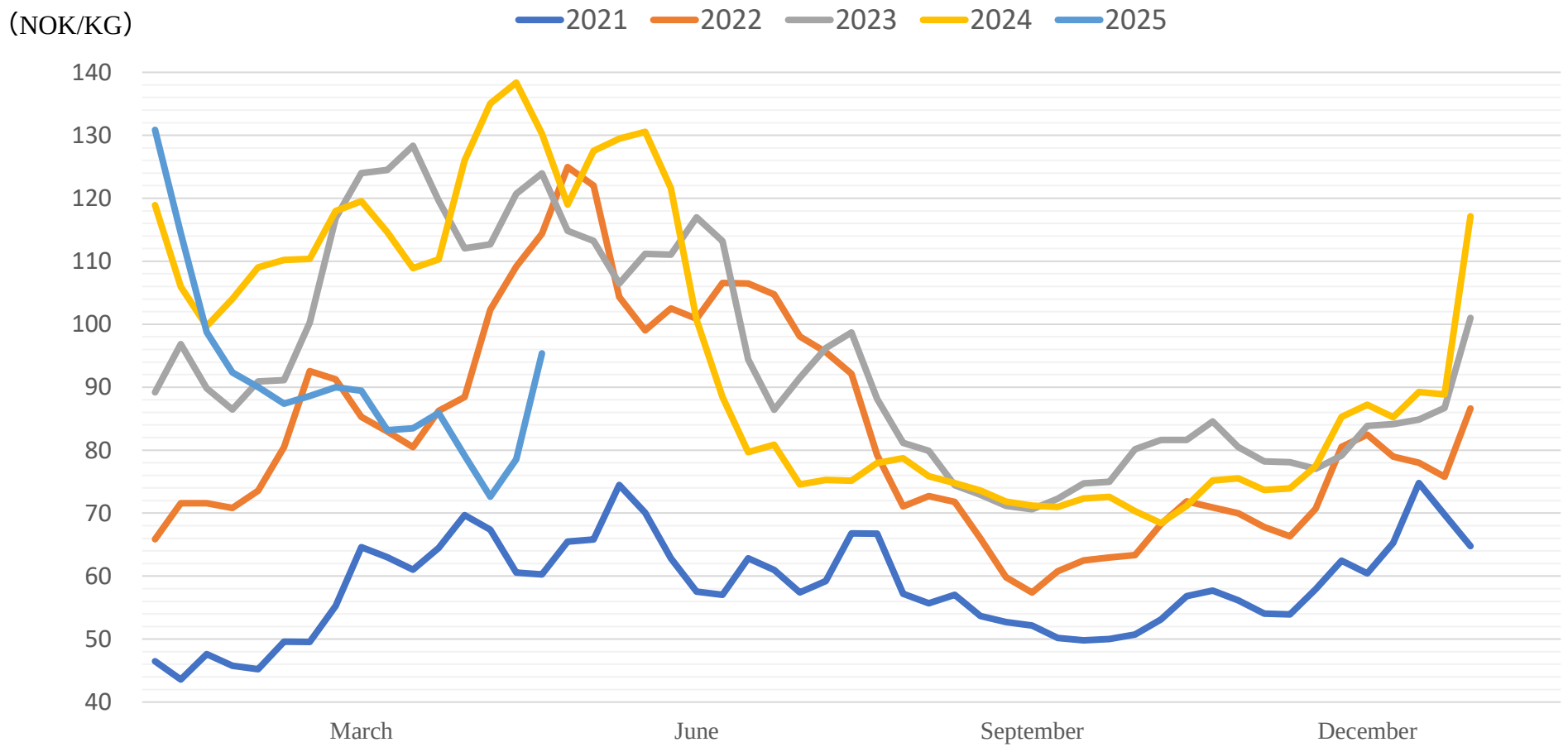
☐ Quarterly trends by segment (segment profit before adjustments)



Seasonal fluctuations excluding the impact of fair value measurement gains and losses (approximated when treated in accordance with Japanese GAAP) are shown on the left.

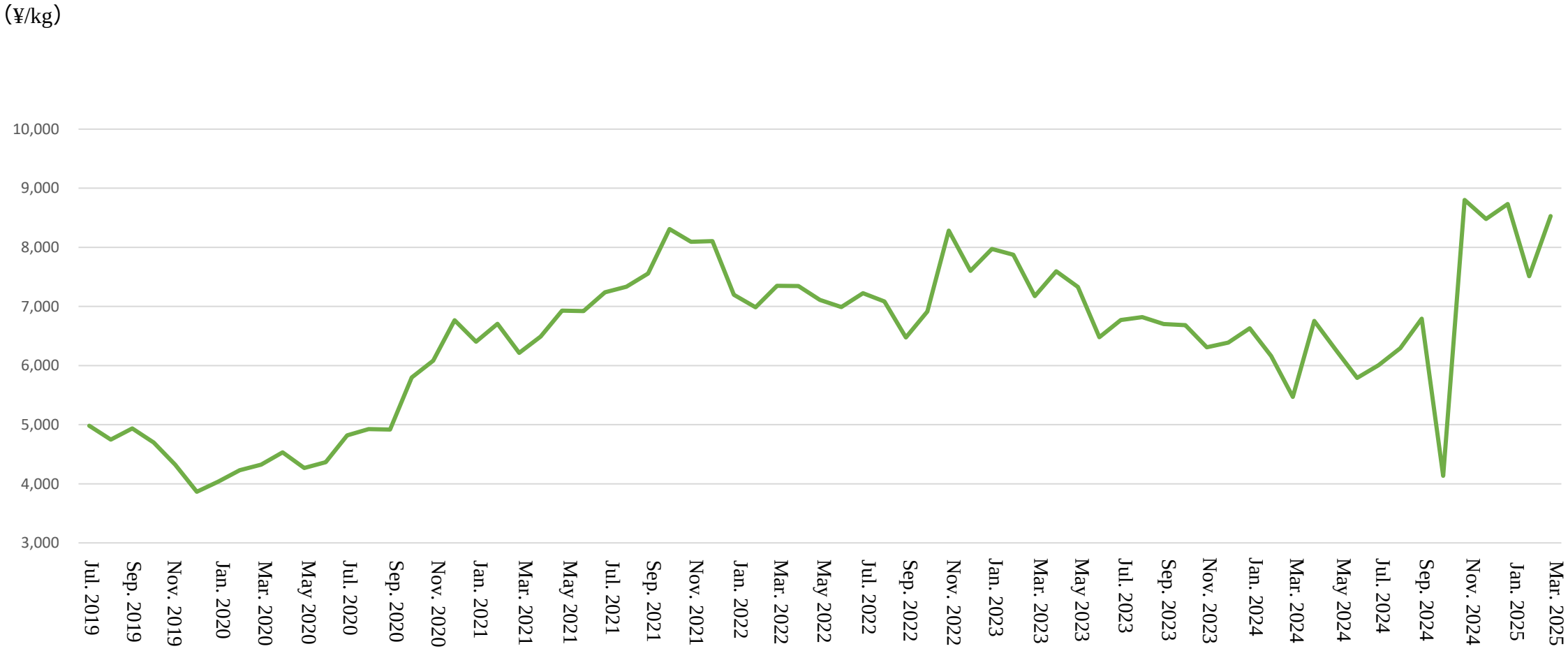
(Note)
- The figures shown are those prior to deducting adjustments to segment profits (company-wide expenses, elimination of unrealized profits included in inventory, etc.).

Spot Prices of Atlantic Salmon (Fish Pool Index)



* The above graph shows the spot prices for Atlantic salmon, which is a different species from the trout farmed by the Group. Since there is no similar index for trout, the Group uses this index as a reference for making plans and measuring market trends, even though the species is different. Actual transaction prices are based on various factors such as domestic supply and demand and transportation costs. Please note that this index should be regarded as a reference only.

Average Ikura (salmon and trout roe) Prices on Toyosu Market



Source: Market Statistics Information, Metropolitan Central Wholesale Market

* This information is intended to provide an overview of market trends.

Notes for Handling These Materials

Forecasts for business performance and forward-looking statements mentioned in this material is our view based on information available at the time of preparing them. This material, therefore, includes potential risks and uncertainties such as economic trends, competitive environments and trends in product prices in the market. Please note that actual business performance may significantly differ from forward-looking statements mentioned or described in this material owing to various factors including changes in our operating environment.


To supply healthy seafood
to the people of the world
in a responsible way
with respect for nature.

Okamura Foods Co., Ltd.

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