



STARZEN GROUP 2025

INTEGRATED REPORT



Starzen Management Philosophy

In 2024, we formulated a new Management Philosophy and Brand Vision.

To adapt to these rapidly changing times and enable employees to demonstrate their capabilities while respecting diverse values and abilities, we aim to be an autonomous, self-reliant organization.

Management Philosophy

Connecting people and food around the world through inspirational experiences



Be a Company with Which Customers Feel Fortunate to Do Business



Become a Company Where Our Employees Are Happy to Work



Grow through Our Work

Brand Vision

Itadakimasu—appreciate the food that gives you strength and energy;
Arigato—express appreciation to bring happiness

Since our founding, we have always valued efforts to make a difference in the world and to always give our best with honesty and integrity in all endeavors.

With the desire to make meat accessible, we have continued to take on unprecedented challenges and devoted ourselves to the development of the industry.

Believing in new possibilities, we have shifted our focus from meat to food.

Starzen desires to become a star that shines brilliantly in the world, like the stars that dazzle in the night sky.

Our mission and commitment to connecting food has brought us to where we are today through the support of our stakeholders.

Our promise is to value the life of every human and animal

Our responsibility is to create safe and secure products

Our ability is to provide a stable farm-to-table approach

We believe that “food” has the power to inspire creativity in everyday life with:

The power to bring well-being to our loved ones

The power to heal and motivate us for tomorrow

The power to connect people in the places where we gather

The power to bring a smile to people’s faces

Appreciating food by expressing “Itadakimasu” and being thankful will lead to a brighter and more vibrant society that will bring smiles and happiness to the world.

Starzen will continue to inspire and create new possibilities through food.





Index

Contents

01 To Our Stakeholders

- 05 CEO Message
- 09 Message from Finance Officer
- 10 Message from Sustainability Officer
- 11 Messages from External Directors

02 Starzen’s Competitive Advantage

- 14 A Deep Knowledge of Meat Developed Since Our Founding
- 15 Adaptability to Diverse Market Needs
- 16 Leveraging Domestically Developed Knowledge Overseas
- 17 Effective Use of Human Capital

03 Value Creation Story

- 19 History of Starzen
- 21 Starzen at a Glance
- 22 Value Creation Process
- 23 Business Model
- 24 Six Forms of Capital

04 Medium-Term Management Plan

- 26 External Environment
- 27 Medium-Term Management Plan 2023-2025
- 28 Tackling the Challenge of Developing New Businesses
- 29 Domestic Business Transformation
- 30 DX Initiatives

05 Initiatives for Sustainable Growth

- 32 Overview of Sustainability Strategy
- 33 Systems to Promote Sustainability
- 34 Materiality and Results from Initiatives
- 35 Stakeholder Engagement
- 36 Initiatives Across the Whole Value Chain
- 37 Initiatives for the Environment
- 38 Enhancement of Measures against Climate Change
- 41 Initiatives for Society

07 Corporate Data

- 57 Financial Highlights / Non-Financial Highlights
- 58 11-Year Consolidated Financial Summary
- 60 Corporate Information / Stock Information

06 Foundation Supporting Sustainable Growth

- 47 Corporate Governance
- 52 Compliance
- 53 Risk Management
- 54 Directors

STARZEN INTEGRATED REPORT 2025

Starzen's Integrated Report aims to promote constructive dialog with shareholders, investors, and all stakeholders by communicating financial and non-financial information as well as our strategy.

Its special features are designed to set out Starzen’s growth story in a simple, straightforward way, by shining the spotlight on Starzen’s competitive advantage and measures to boost profitability from the three perspectives of depth (our deep knowledge of meat), diversity (our adaptability to market needs), and delivery (leveraging knowledge built up in Japan overseas).

We hope that this report helps to deepen understanding of the Starzen Group.

During the editorial process, we referenced the International Integrated Reporting Framework of the International Financial Reporting Standards (IFRS) Foundation and the Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation of Japan’s Ministry of Economy, Trade and Industry.

About the Cover

The cover expresses the idea of opening the way forward into the future with a flexible and positive approach while embodying the core values Starzen has cherished since its founding and continues to cherish against the backdrop of rapid changes in society and the management environment: reliable quality, honesty and integrity in all endeavors, a spirit of embracing new challenges, teamwork, and a desire to make a difference in the world.



Reporting Period

Fiscal 2024 (April 1, 2024 to March 31, 2025) Note: Contains some information applicable to other periods.

Reporting Boundary

Starzen Co., Ltd. and its consolidated subsidiaries Note: Contains information on some non-consolidated subsidiaries and associates.

Cautionary Note Regarding Forward-Looking Statements

This integrated report includes forward-looking statements about the future performance of the Starzen Group.

These statements are based on assumptions and beliefs that are judged from the information available at the time the report was published and involve risks and uncertainties related to economic trends, intensifying competition, laws and regulations, tax systems, and various other policies.

Starzen therefore wishes to caution that actual results may differ materially from its expectations.

Information Disclosure System

Financial information	Non-financial information
INTEGRATED REPORT 2025	
IR Information https://www.starzen.co.jp/en/ir/	
Securities Report https://www.starzen.co.jp/ir/library/securities.html (in Japanese only)	Sustainability https://www.starzen.co.jp/en/sustainability/
Financial Results https://www.starzen.co.jp/en/ir/library/financial.html#library01	Corporate Governance Report https://www.starzen.co.jp/sustainability/file/governance_hokoku.pdf (in Japanese only)
Medium-Term Management Plan https://www.starzen.co.jp/en/ir/management_policy/#management_policy01	

Others

Company Information https://www.starzen.co.jp/en/company/	Product Information https://www.starzen.co.jp/en/product/	Domestic and Overseas Network https://www.starzen.co.jp/en/company/?active-tab=tab-5#company-info05
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Three Key Points

The Three Key Points in Integrated Report 2025

- 1** CEO Message
- 2** Starzen's Competitive Advantage
- 3** Overview of Sustainability Strategy



CEO Message

Find out about Starzen's competitive advantage, aggressive overseas business expansion, organizational reform for overall optimization, market-oriented approach to create products of choice for customers, our Management Trinity, and more.

[CEO Message ▶P.05](#)

Starzen's Competitive Advantage

Starzen's three strengths are its 1) comprehensive supply chain, 2) ability to meet the needs of the market, and 3) capability for expansion of overseas business.

Here you can find out about the policy for the development and utilization of human capital that supports these.

[Starzen's Competitive Advantage ▶P.13](#)

Overview of Sustainability Strategy

Guided by our new Management Philosophy and the principles of ESG, we are working to find solutions to material issues that include reducing greenhouse gas emissions (GHG), reducing food loss and waste, and animal welfare with the goal of achieving a sustainable society.

[Overview of Sustainability Strategy ▶P.32](#)



Chapter

01 To Our Stakeholders

Value creation through a Trinity Management

With a basis of Trinity Management comprising the Company, shareholders, and employees, the Starzen Group emphasizes dialogue with business partners and a diverse range of other stakeholders.

We will carefully distinguish between what should never change (principles that have been important to us since our founding) and what should be changed in response to changes in the environment, and reflect them in the management of the Company. And by doing so, we will aim to achieve sustained value creation with all stakeholders.

- /05 CEO Message
- /09 Message from Finance Officer
- /10 Message from Sustainability Officer
- /11 Messages from External Directors





CEO Message

CEO Message

Aiming for overall optimization as a team under a new Management Philosophy

Key themes

1 Towards our 100th anniversary

▶ P.05

2 Starzen's Strengths

▶ P.06

Aggressive overseas business expansion
Making products from a market-oriented perspective

3 A Trinity Management to increase value of shareholders, companies, and employees

▶ P.08

4 To Our Stakeholders

▶ P.08

Towards our 100th anniversary

This year marked the 77th year since the founding of Starzen.

Born in the tumultuous period in the immediate aftermath of WWII, Starzen has developed alongside Japan's food culture with a central focus on the meat business.

In 1999, having identified further potential in the field of non-meat processed foods and other such fields of business, we changed our name from Zenchiku to Starzen as we aimed to become an integrated food supplier.

And last year, we overhauled our Management Philosophy for the first time in 33 years, marking a new step on the road to our 100th anniversary.

While our fundamental approach of expanding from meat to food has not changed, we have reexamined the

significance of our existence and incorporated our future vision of continuing to inspire and create new possibilities through food into our Management Philosophy.

These days, we have more than 2,700 employees, and in order to ensure everyone is advancing in the same direction against a backdrop of diversifying values and work styles, we are undertaking activities across the Group to ensure widespread understanding of this Management Philosophy.

We encourage employees to internalize the Management Philosophy, and are aiming to become an organization that enables each individual to act in a self-directed manner to become what they want to be, instead of waiting to be told what to do.

External environment

The environment surrounding us continues to become increasingly harsh with each passing year.

We play a role in ensuring the stable supply of food, and this makes it unavoidable for us to respond to the challenges posed by a decreasing number of livestock producers, soaring feed prices, the outbreak of diseases, and the impact of climate change on livestock.

In addition to such changes pertaining to this industry, great changes are also underway in the Japanese market.

As the population declines and the preferences of consumers diversify, conventional thinking and previous

experiences of success are becoming no longer applicable.

And for us to achieve sustained growth as the structure of the market changes, flexible thinking that is not bound by existing frameworks is essential, as is a stronger profitability.

Going forward, the extent to which we are able to construct a robust corporate constitution impervious to market fluctuations and how to go about establishing a stable revenue base will be topics of the utmost importance when it comes to increasing our sustainability as a company.

Representative Director, President & CEO

Kazuhiko Yokota





CEO Message

CEO Message

Starzen's Strengths

Our greatest strengths and the lifeline of Starzen's business lie in our extensive production, processing, and procurement capabilities at home and abroad, as well as in the logistics and sales functions that let us fully harness these capabilities.

We have around 50 sales offices around Japan, and our customer-focused sales structure enables us to meticulously meet our customers' needs.

I believe that going forward, we need to further shore up this structure.

Furthermore, our plants adjoined to our slaughterhouses have on their books a great number of human resources with an intimate knowledge of raw meat and processing techniques, and we have in place

a hygiene control system of a very high level.

Such hygiene controls and technical capabilities have gained a high level of trust from customers both in Japan and overseas, and form important elements that support the core of Starzen's quality.

Furthermore, in Japan, where worker shortages have made it difficult for major companies to process raw meat at each supermarket, an increasing number of companies have moved to establish their own processing centers (PC) to process meat.

In order to respond to such needs, Starzen has leveraged the processing know-how of its own processing centers to supply meat raw materials optimally processed and standardized for customers' processing centers, and we

have received great praise from within the industry for the freshness and size consistency of the meat we offer.

In addition, an important strength of Starzen is its human resources with a deep knowledge of Wagyu and the capability to make proposals.

We understand the characteristics of all parts of a cattle, and possess the skills for making suitable proposals that match the preferences of different regions and customers.

For example, while domestic consumption of ribeye and strip loin, which are premium cuts, is sluggish, there is a strong demand for these cuts in overseas markets.

Starzen leverages its domestic and overseas

networks in executing a flexible sales strategy that fits customers' needs, and in doing so, successfully avoids unsold products while maximizing profit.

I believe that it will be crucial for Starzen's future development to leverage the funding, technical capabilities, and know-how gained domestically in the expansion of our business operations overseas.

With the foundation of the strengths we have built up in our domestic business, we will aim to demonstrate our competitiveness in global markets and achieve sustainable growth.

Aggressive overseas business expansion

Under our Medium-Term Management Plan, which entered its final year in FY2025, we are working on transformation to achieve sustainable growth.

Initiatives that we are putting particular focus on as part of this are initiatives that will support the expansion of our global business and bring high levels of added value to the products we offer.

In our overseas business, we are proceeding with the two pillars of strengthening local production and sales overseas, and expanding exports of Wagyu beef produced in Japan.

Firstly, in overseas production, we are focusing on Australian Wagyu beef with high added value, and in order to shore up our procurement infrastructure, we acquired an Australian beef feedlot as a subsidiary in April 2025.

This feedlot is where we used to contract out the fattening of Imperial Blossom Beef, our Australian Wagyu brand beef, to, but with this acquisition, we have established a structure under which we can be directly involved from the production phase.

Going forward, we will leverage tariff benefits provided by economic partnership agreements in export destinations centering on Southeast Asia, our geographical advantage in disease control, and the strong relationships we have built locally over many years while obtaining halal certification to enable us to pursue expanded sales to the Islamic world, where population growth is expected.

Meanwhile, in our exports of domestically produced Wagyu beef, we are expanding sales with double-digit growth in Europe and other markets, driven mainly by the AKUNE GOLD brand beef raised exclusively for export.

This has been partly driven by winning the top prize at the World Steak Challenge held in Ireland in 2022, which has

led to a steady increase in brand recognition and praise.

In March 2025, we also entered into a capital and business alliance with Mizusako Farm, one of Japan's leading Wagyu producers, and are working to strengthen our long-term supply system.

Looking ahead, an important issue for us will be how best to allocate the limited resource of Wagyu beef to both domestic and overseas customers, delivering it in a way that offers value.

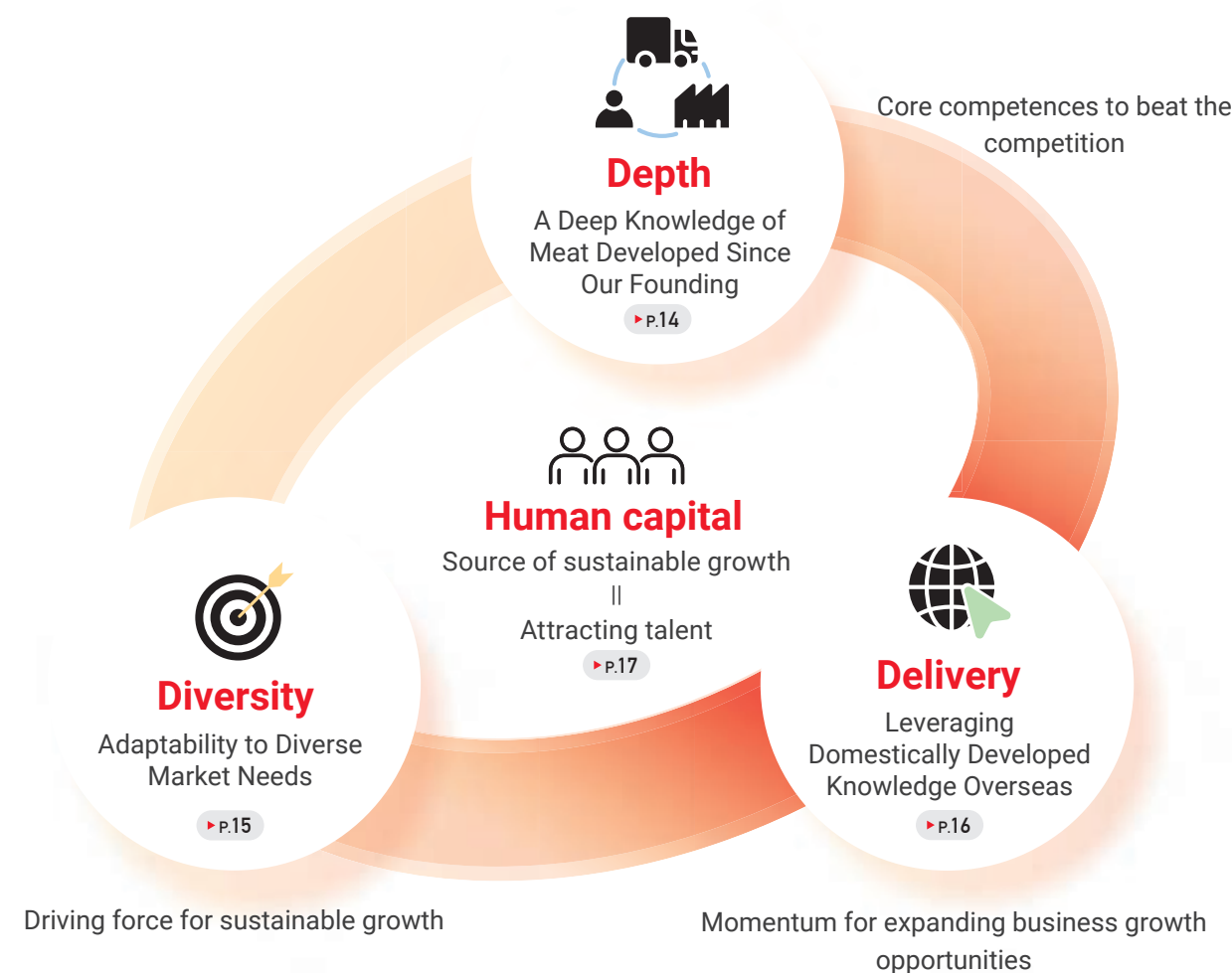
In parallel with strengthening on the supply side, we are also focusing on building local sales structures overseas.

Our pilot initiatives in China, Southeast Asia, and the United States have made it very clear that simply applying the Japanese sales model abroad does not work.

I believe that differences in consumer preferences mean that thorough localization is essential not only in terms of products but also in terms of services. As a starting point, an initiative is underway in some places whereby our marketing and product development staff work on-site at overseas stores observing and interviewing consumers, and the primary information gained is then used for product development and in considering how best to make proposals to business partners.

I travel abroad on a monthly basis, and I have been getting a keen feeling of the growing demand for product proposals that fit with diverse cooking styles such as sukiyaki, shabu-shabu, yakiniku, and meat sushi on the back of a global rise in the popularity of Japanese cuisine.

Consulting-style sales that respond flexibly to customer needs are one of our strengths, and we will continue to enhance it going forward.





CEO Message

CEO Message

Making products from a market-oriented perspective

Even before I became CEO, I always had a strong awareness of the importance of developing products of choice for our customers, and we have implemented this. After my experience on the ground at a sales branch, however, I really got a feeling for its importance around 20 years ago when I was in charge of a division responsible for mass retail sales and got involved in dealings with major retailers.

At that time, it was difficult to compete on price alone and stand out, and to stand against major competitors, we needed not only thorough response capabilities on the part of the stores, but also strong proposal-making capabilities, working as a partner to develop products together.

We recognized that in order to truly become the company of choice for our customers, rather than simply providing products wholesale, it was essential to make value proposals from the customer's perspective. So we launched Chef Lady, a menu-proposal-based sales promotion team, and have since built a product development structure that is more closely linked to the circumstances on the ground.

In addition, we have focused on fostering an awareness of marketing within the Company, creating opportunities for employees engaged in product

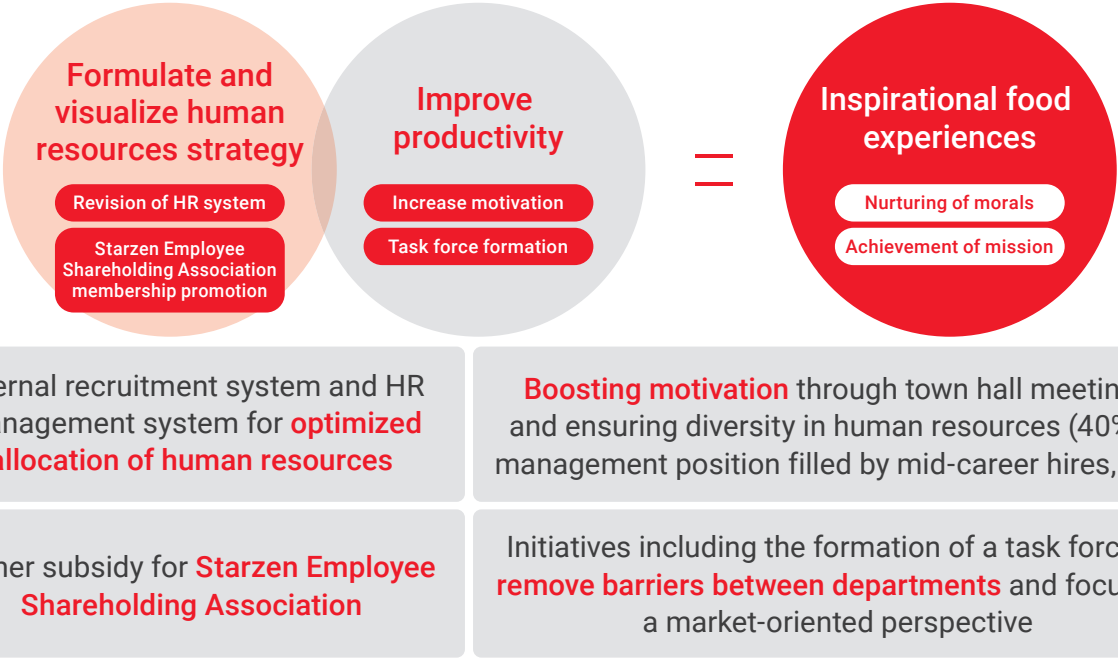
development and sales to proactively learn about marketing and branding so that they can consider things from the perspective of customers and consumers.

Today, there are approximately 50 staff members holding qualifications, enabling a cross-departmental approach to product development.

In the development of processed foods, we have also established teams responsible for branding work in each individual product category, and they work in collaboration with the Sales and Planning Division and the Product Development Division to create new offerings.

Thus far, we have successfully developed customer-focused products such as hamburger steaks, processed meat products, and Lohmeyer brand products which have been well received.

Going forward, we will continue to place importance on this market-oriented perspective while fusing it with Starzen's strength in raw material procurement to create high-value-added products, and we will keep taking on challenges to remain the company of choice for our customers.



Organizational reform for overall optimization

I always say “a company is not an inanimate box; it is a place of work where people with a diverse range of values come together and accept and respect each other.”

This is because I believe that an organization can maximize its power when all employees leverage their strengths and work together across age groups, departments, and organizations.

One initiative that we have recently been making particular effort toward is strengthening our internal structure for overseas expansion.

As exports of domestically produced products such as Wagyu beef and processed foods have increased, our existing structure has in some situations not been able to fully achieve the execution capability and speed required.

The Overseas Division, which is responsible for export operations, has conventionally played a central role in the import of meat raw materials, but new expertise and responsiveness are needed when it comes to exports.

To address this, we reexamined our internal framework

with a flexible approach that crosses existing boundaries.

While the Overseas Division continues to oversee export operations, we established a joint task force responsible for practical matters by bringing together the Sales Division for processed foods and domestic meat, as well as product development, plants at livestock production sites, quality assurance, and other organizations.

This inter-organizational initiative has allowed us to bring together expertise across divisions, resulting in tangible achievements that include great praise from overseas customers.

This initiative is an example of the Starzen Group successfully embodying the philosophy of “management based on the principle of collective wisdom” as advocated by Panasonic founder Konosuke Matsushita.

Going forward, we will continue to place importance on a perspective of overall optimization, deepen cross-divisional collaboration, and advance the development of a flexible yet resilient organizational structure.

Sustainability promotion

Under a Management Philosophy of creating inspirational food experiences, the Starzen Group is working on sustainability with the aim

of growing sustainably alongside society.

In specific terms, we are reexamining energy efficiency in production, processing, logistics, and





CEO Message

CEO Message

all other processes, and incrementally implementing specific measures to reduce emissions of greenhouse gases (GHG), by introducing energy-saving facilities and utilizing renewable energy, for example.

And under a recognition that it is people who are the source of our corporate value, we are also strengthening our investment in human capital.

We are building an environment that enables a diverse workforce to work and develop in a safe and supportive setting, and in addition to training, career support, and

engagement measures, we are also striving to build a system that enables everyone to enjoy the fruits of their efforts through measures including the granting of restricted shares and enhancement of the Starzen Employee Shareholding Association subsidy scheme.

Sustainability is an important issue for management and should be pursued in parallel with enhancement of profitability and improvement of corporate value, and we view these as one of the two drivers of sustainable growth alongside the Trinity Management.

A Trinity Management to increase value of shareholders, companies, and employees

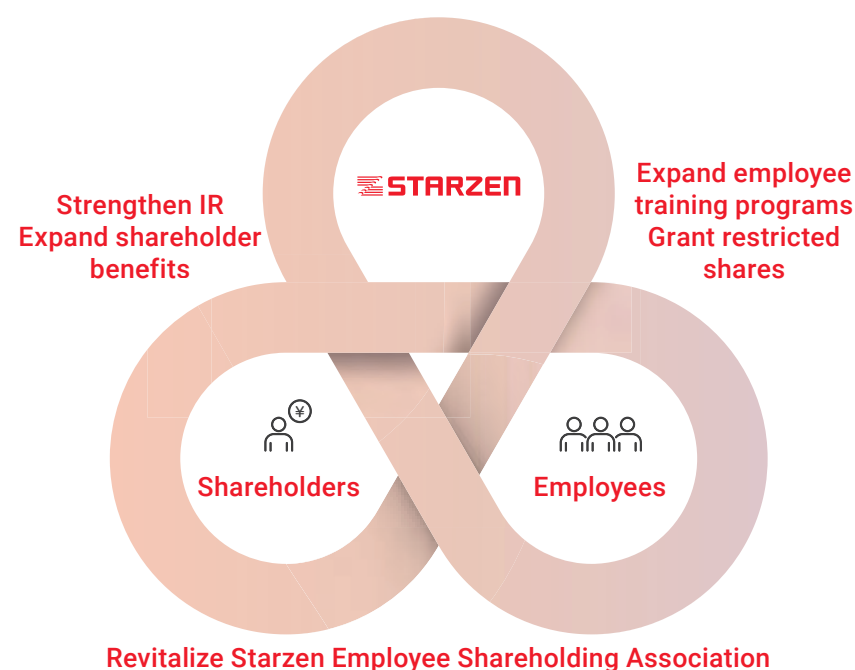
The Starzen Group aims to realize a “Trinity Management” in which shareholders, companies, and employees share value from their respective perspectives and grow together.

In line with our Management Philosophy of ensuring Starzen is a company that our employees are happy to work for, it is essential to steadily enhance profitability in order to improve corporate value over the medium to long term through initiatives such as expanding into growth markets both domestically and internationally, improving efficiency,

and broadening our lineup of high value-added products.

We also place great importance on dialogue with shareholders and investors, and in addition to setting a dividend on equity (DOE) target of 3.0%, we are implementing capital policies such as the purchase of treasury shares and share splits in an agile manner, and striving to deliver stable and progressive shareholder returns.

Accelerate efforts to increase corporate value by instilling our Management Philosophy and Brand Vision



To Our Stakeholders

Throughout our history, we have built up a beef- and pork-centered comprehensive supply chain that covers everything from breeding to processing, production, and sales.

Going forward, we will further leverage this strength to expand the lineup of products unique to Starzen and deliver them to customers both in Japan and overseas.

In addition, through our Trinity Management under which shareholders, companies, and employees come together to pursue growth, we strive to achieve sustainable enhancement of corporate value, and while placing importance on harmony with the environment

and society, the entire Group will proactively address sustainability challenges in every stage of our business.

The Starzen Group aims not merely for an expansion in its scale or a short-term improvement in business performance. More importantly, it aims to be a company that never stops connecting people through food and inspiring.

Under our new Management Philosophy of “Connecting people and food around the world through inspirational experiences,” the entire staff across our Group will unite to go forward as one, so I look forward to your continued support going forward.





Finance Director Message

Message from Finance Officer



Director
Supervisor of
Finance and Group
Controller Division
and Administrative
Division

Tsunehiro Sana

Growth investment focusing on cost of capital

Under the Medium-Term Management Plan, we plan to invest ¥40 billion over three years, and we are steadily putting this into action.

In addition, we entered into a capital and business alliance with Mizusako Farm Co., Ltd., one of the biggest Wagyu beef producers in Japan, in March 2025. And by doing so, we strengthened the supply framework for our AKUNE GOLD export-only brand of Wagyu beef.

In our overseas business, we acquired Australian Wagyu beef feedlot Broad Water Downs Pty Ltd as a wholly-owned subsidiary in April 2025, thus putting in place a system for the stable supply of Australian Wagyu beef and for our direct involvement from the production stage.

When it comes to making investment decisions, we always take the cost of capital into account and carefully examine whether or not ROIC and other investment returns will exceed equity cost.

And when it comes to distributing equity, we make decisions after numerous discussions by our Investment Screening Committee, Management Meeting, and Board of Directors on the basis of this approach.

Capital and financial strategy

With regard to shareholder returns, in November 2024, we unveiled a target of a 3.0% dividend on equity (DOE) and a stable and continued increase in dividends, and we are working to improve capital efficiency and maximize shareholder value through the flexible purchase of treasury shares.

We have also kept our equity ratio at a high level in excess of 50%, and going forward, we will strategically utilize financial leverage to further increase capital efficiency while ensuring our financial situation remains sound.

Our policy is to steadily make strategic investments toward sustained future growth.

In addition to the target of ROE of at least 8% that we have currently set for ourselves, we will work to achieve an optimal balance among the three elements of growth investments, shareholder returns, and financial soundness, place an even greater emphasis on capital efficiency, and undertake thorough consideration in terms of our use and distribution of equity.



Toward sustainable growth through proactive streamlining.

Sustainable growth and building trust with markets

While our ROE is currently at a level in excess of 10%, our PBR remains below 1.0, and we recognize there is room to improve the market's evaluation of our corporate value.

In light of this situation, in the previous fiscal year, we conducted a secondary offering of shares to expand and diversify our shareholder base with a focus on individual investors. We also conducted a share split to increase share liquidity.

In addition, to promote understanding of our Group's business and build medium- to long-term relationships, we decided to expand our shareholder benefits.

At the same time, to increase employee awareness of our business performance and share price, while also fostering value-sharing with shareholders, we raised the

incentive contribution rate for our Starzen Employee Shareholding Association and implemented a new system to issue restricted stock (RS) at no cost to employees.

Through these measures, we are taking forward our initiatives to enhance employee engagement and further promote our Trinity Management approach, in which shareholders, employees, and the company grow and prosper together.

Going forward, in addition to steadily executing the growth strategies set out in our Medium-Term Management Plan, we will also focus on fostering growth expectations through transparent disclosure, and expanding constructive dialogue with our shareholders and investors.

Improved profitability

- Profit maximization in overseas business
- Fueling the development of high-value-added products
- DX and business process reform

Improved asset efficiency

- More efficient asset portfolio (Minato-ku warehouse sale and securing of two business sites)
- Sale aimed at compression of cross-shareholdings

Financial leverage

- Enhanced shareholder returns (DOE introduction, purchase of treasury shares)
- Strategic financial management

Improved capital efficiency

Reduction of shareholders' equity cost

Strengthening of IR



Sustainability Director Message

Message from Sustainability Officer

- Phase 1**
Fiscal 2020-2023
- Operate a Sustainability Committee
 - Calculate Scope 1, 2, and 3 greenhouse gas (GHG) emissions across the entire Starzen supply chain
 - Establish a GHG Reduction Committee for Starzen plants

- Phase 2**
Fiscal 2024-2025
- Link to the Management Philosophy
 - Collaborate with local partners overseas
 - Step up climate change initiatives

- Phase 3**
Fiscal 2026-2030
- Work together as one to strengthen initiatives
 - Reduce GHG emissions

In order to achieve a long-term increase in corporate value and sustainable business operation, it is absolutely essential to place sustainability at the foundation of corporate activities and to steadily implement measures.

While maintaining an awareness of this, we will aim to be a company of true value that can provide a stable supply of food to many people.

Fundamental Policy on Sustainability

Since its founding, the Starzen Group has had as its mission to provide people with essential food and thereby aims to continue contributing to society.

We will endeavor to continually improve our corporate value and realize a sustainable society by working to resolve various environmental, social, and economic issues through food while meeting the expectations of our stakeholders.

Management message

Climate change and other issues faced by society are becoming increasingly serious. For our business model, which primarily focuses on wholesale meat distribution, it means that a perspective on the entire supply chain and a responsible approach to the environment and society are becoming increasingly important.

The raising and production of healthy livestock that form the foundation of our business are closely linked to climate change, and among the key issues centered on ESG, initiatives on the environment are our highest priority.

At Starzen, we have split the decade from FY2020 to FY2030 into three phases, and are working to further our sustainability initiatives.

In June 2024, which falls into phase 2, we set out a medium- to long-term target for GHG reduction, and obtained SBT certification in reflection of this.

By obtaining this certification, Starzen's sustainability initiatives have become widely recognized, and this has led to a strengthening of relationships with existing business partners as well as the expansion of new initiatives.

In practical terms, energy-saving and renewable

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Taking on environmental issues with a multifaceted approach

energy measures are underway to reduce Scope 1 and Scope 2 emissions, particularly in production plants and logistics divisions, and among other things we are working on measures to reduce Scope 3 GHG emissions originating from beef production.

In February 2025, we started making fresh use of sustainable finance and are aiming to both find solutions to environmental issues and achieve economic growth, thus tackling climate change and putting in place a system to support future business growth.

Furthermore, we created a new animal welfare policy in June 2025, thus announcing our firm intention to systematically implement sustainable initiatives in addition to a range of existing animal welfare measures.

As a system for taking forward these business initiatives, we have held monthly internal study sessions centering on young employees and the Sustainability Promotion Department since August 2024.

These study sessions aim to deepen sustainability knowledge among attendees from each division and department so that they become overall flagbearers for sustainability, and to spread awareness of sustainability in the Group at the grass roots level.

By linking these study sessions with practical GHG reduction initiatives and invigorating a bottom-up approach, we will further strengthen the basis of our sustainability management.

Director
Supervisor of
Corporate Division,
IT & Communication
Division, and
Logistics Division

Ryoichi Takahama



External Directors Message

Messages from External Directors



Directors (External)

Wataru Ohara

Development of human resources to support management evolution and sustainable growth

The stock market has begun to place a wide range of demands on listed companies over recent years, and I see the underlying philosophy as lying in the pursuit of sound corporate development that reflects a shift in the thinking toward environmental issues and other changes in social norms, as well as management that seriously addresses the expectations of shareholders and other stakeholders.

External directors are deeply involved in the management of Starzen and in its corporate decision making. This reflects the fact that the company thinks it important and necessary to have support from the perspective of society and shareholders for its development and management decision making.

In order to meet the demands and expectations placed on us over the last few years, at Starzen we have implemented a range of measures.

The secondary share offerings and share repurchases implemented in the previous fiscal year on the basis of our policy of unwinding cross-shareholdings with financial institutions and the share split carried out on April 1 were measures to increase the number of minority shareholders, and the announcement of a numerical DOE target for dividends, dividend increases, and the expansion of shareholder benefits reflect our shareholder-oriented policy.

In terms of business performance, we have undertaken an overhaul of our Management Philosophy and worked steadily on tackling the challenge of developing new businesses, domestic business transformation, and sustainability management and improvement in the management foundation as set out in the medium-term management plan. Business performance has remained strong as a result.

From a long-term perspective, we are also undertaking initiatives that we believe will significantly contribute to our future management, such as large-scale M&A overseas and the consolidation of logistics hubs in eastern and western Japan.

I feel our management has undergone significant change in recent years and is steadily moving forward.

While there are still challenges, it is important for companies to aim for perpetual growth, to maintain long-term goals, and steadily overcome these challenges.

Looking ahead five to ten years, the most important issue will be how we nurture the talent that will carry Starzen into the future.

I hope to see many officers emerge who are committed to precisely meeting the needs of society with a firm basis in corporate governance, and who, above all, have a passion and love for Starzen.

This is the perspective from which I, too, am committed to fulfilling my role in contributing to the further development of Starzen.

Management with a focus on medium- to long-term growth and capital efficiency

Profit in the previous fiscal year hit a new record high, following the record high set in the fiscal year before that.

In the previous fiscal year, the Board of Directors reached resolutions on several large-scale investment projects that support Starzen's medium- to long-term growth, and these are now at the stage of implementation.

Of particular note in the overseas business, we acquired 100% of shares in Broad Water Downs Pty Ltd, and Australian Wagyu feedlot operator that has a deep historical connection to Starzen.

The deliberations by the Board of Directors regarding this project saw in-depth discussions about the overall form of Starzen's overseas strategy, including this acquisition, and the economic rationality of the acquisition.

From this fiscal year, it has become necessary to disclose information about our "action to implement management that is conscious of the cost of capital and share price" in our corporate governance report, and the Board of Directors is already undertaking a rigorous investigation into whether this project has achieved an ROIC in excess of the capital cost.

Furthermore, the next step, including expanding overseas sales channels to contribute to a further increase in value for this project, is under discussion by the Board of Directors.

The Board of Directors are also undertaking similar deliberations about other large-scale investment projects, and I believe that the decision-making function of the Board of Directors is being exercised appropriately.

In April this year, Japan's Ministry of Economy, Trade and Industry unveiled its Five Principles for Board of Directors to Enhance "Earning Power." Principle 1 is Development of a Value Creation Story, Principle 2 is Promotion of Appropriate Risk Taking by the Management Team, and Principle 3 is Promotion of Medium- to Long-term Oriented Management by the Management Team.

It is important that the Starzen Board of Directors, while fulfilling its oversight and decision-making functions, is properly positioned to support the management team, led by President Yokota, in its efforts to enhance our earning power. I myself also intend to ensure that I continue to keep this in mind.

And in the previous fiscal year, with an awareness of the importance of balancing the implementation of our medium- to long-term strategy with shareholder returns, we implemented multiple share price measures after discussions among internal and external directors.

As an external director, I intend to continue doing my utmost to improve the effectiveness of the Starzen Board of Directors.



Directors (External)

Kaku Yoshisato

External Directors Message

Messages from External Directors



Directors (External)

Mariko Eto

Compliance management through activities to promote our Management Philosophy

The Management Philosophy that we overhauled last year was formulated through repeated discussions involving many young employees.

Instead of a top-down approach, we believe that it is a process in which employees themselves participate that will form the basis for the sustained growth of Starzen from until 10 or 20 years in the future.

While the terms compliance and risk management may have a somewhat abstract ring to them, the incremental implementation of such internal branding activities is certain to lead to compliance with the rules and understanding of crisis management.

Last year, external directors had the chance to visit business offices and business partners and directly obtain the feedback of those on the ground.

This helped us to get an understanding of what is happening on the ground, which is vital in terms of holding discussions on growth strategy and overseas business strategy going forward.

Since the founding of Starzen, we have always valued giving our best with honesty and integrity in all endeavors, and this principle lies at the root of our initiatives to promote our philosophy and our daily work on-site.

In addition to proactively taking on challenges such as investment projects related to Australian Wagyu beef, Starzen is also engaged in the development of products that directly meet the needs of customers and is working on initiatives from a market-oriented perspective, including a new shareholder benefits system introduced from the FY2025.

I view this past year as one in which our management approach became clearer, placing importance on both dynamic challenges such as overseas business development and a sincere, step-by-step approach to carefully engaging with our customers and consumers.

These are two important points that affect the future of all Japanese companies offering products and services rooted in daily life, so I intend to keep them in mind in discussions and meetings of the Board of Directors going forward.

Management with awareness of growth investment and cost of capital

In order to achieve sustainable growth of the company, I believe that management founded on the cost of capital and share price is absolutely essential.

Starzen is making proactive investments in Japan and overseas based on the Medium-Term Management Plan, such as the acquisition of Australian cattle feedlot operator Broad Water Downs Pty Ltd and the establishment of the new Higashi Ogishima logistics center.

Each investment has been derived from a management strategy to support medium- to long-term growth, and in the decision making for these projects, we first gain a full understanding of the ROIC and ROE of each project and then thoroughly examine them.

Starzen pays particular attention to ROIC, and as an external director, I pay careful attention to plans to make sure the ROIC exceeds the cost of capital while deepening discussions at the Board of Directors.

Share price is an important metric that reflects the expectations and evaluation of the equity market. It indicates the future value of the company.

Dialog with the equity market is important in order to ensure we are evaluated appropriately, and I believe that we should undertake proactive disclosure of financial and non-financial information to get across our message.

Last year, Starzen clarified its target of DOE of 3.0% in its dividend policy.

Going forward, in addition to dividends, we will work to enhance shareholder returns through the purchase of treasury shares and appealing shareholder benefits, among other things.

At the same time, as set out above, we must steadily advance new business initiatives, domestic business reforms, and growth investments aimed at improving operational efficiency from a medium- to long-term perspective.

While maintaining a balance between proactive investment and shareholder returns, we need a strategic equity policy compatible with future growth.

As an external director, while helping strike the right balance between soundness and growth, I intend to do my utmost to contribute to the formulation and implementation of an equity policy that will maximize corporate value.



Directors (External)

Shingo Ogoshi



Chapter

02

Starzen's Competitive
AdvantageHarnessing comprehensive supply chain for
improved profitability and global expansion

Leveraging our comprehensive supply chain, which incorporates everything from livestock breeding and fattening to procurement and sales, we aim to achieve sustainable growth by shifting to a high-profitability market-driven model, while also expanding production and sales overseas and increasing exports.

- /14 A Deep Knowledge of Meat Developed Since Our Founding
- /15 Adaptability to Diverse Market Needs
- /16 Leveraging Domestically Developed Knowledge Overseas
- /17 Effective Use of Human Capital





Depth

A Deep Knowledge of Meat Developed Since Our Founding

The core competence of the Starzen Group lies in its **comprehensive supply chain**, encompassing everything from meat procurement to processing, production, and sales.

This unique and comprehensive system constructed by Starzen has produced value that cannot be imitated by other companies.

The strength gained from possessing a comprehensive supply chain

Since our founding, the Starzen Group has been engaged in businesses related to meat, and today, we have established a comprehensive supply chain in the meat-related business, **spanning livestock farm operations, slaughtering, processing, and the production of processed meat products, sales, and logistics.**

Through our comprehensive system and the deep expertise we have cultivated over many years comprising experience, knowledge, and technical capabilities, we are able to respond flexibly and promptly to requests at every stage of the supply chain.

By leveraging these strengths to provide optimal solutions tailored to our customers' challenges and needs, we have gained a strong reputation.

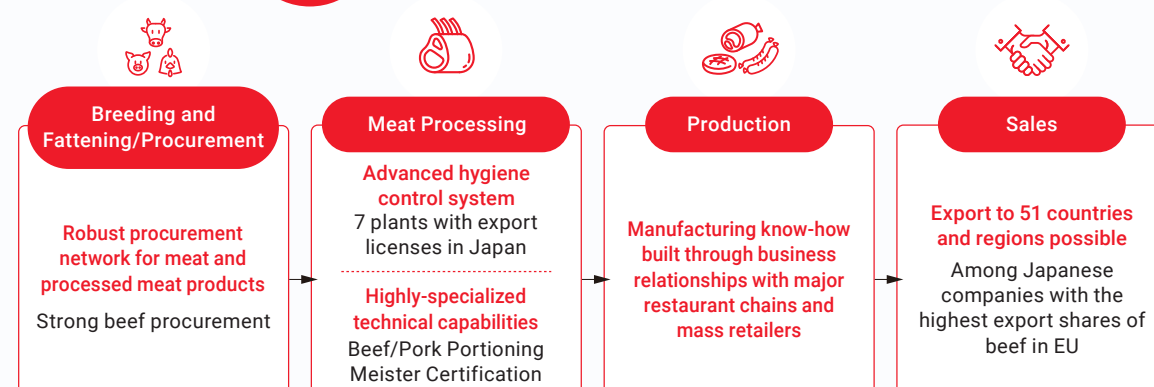
In recent years, worker shortages have accelerated trends such as retailers outsourcing in-store meat slicing and other backroom processing tasks, as well as establishing their own processing centers to centralize such operations.

Starzen operates its **own processing centers**, where we not only undertake contract processing but also leverage the experience and know-how cultivated there to supply meat products that are processed to the optimum specifications

Strength in Japan to form a competitive advantage for overseas business expansion

Strengths

Comprehensive supply chain from upstream to downstream



for our customers' processing centers.

Furthermore, Starzen possesses flexible response capabilities not only in terms of processing, but also in terms of sales.

In the case of beef in particular, selling meat without any waste requires allocating each cut to the most suitable sales channel, rather than disproportionately selling specific parts.

Among these cuts, **premium cuts that are often referred to as the "loin cuts,"** such as ribeye and strip loin, are seeing shrinking demand in

the domestic market, **while demand in overseas markets such as the United States, Hong Kong, Taiwan, and EU countries is expanding rapidly.**

By actively developing sales to overseas markets, we can not only prevent profit losses from unsold inventory in Japan but also turn these cuts into an important revenue source that boosts profits.

Leveraging our nationwide and international sales networks, as well as our strength in meeting diverse customer needs, we have built a flexible supply system.

Starzen's response and technical capabilities: held in high regard overseas

These response capabilities and the skills we have nurtured also form significant strengths in overseas business.

The Starzen Group has seven plants with export licenses, each boasting a high level of hygiene and advanced meat processing technology, and has put in place a system that can export to **51 countries and regions around the world.**

Among these, the Akune Plant in Japan's Kagoshima Prefecture is a core export plant that **performs all processes from cattle slaughtering to processing and vacuum seal packaging.**

This plant offers excellent hygiene, and the raw meat processed with advanced technical capabilities meets high standards, has better yields, and greatly reduces the initial bacteria count.

This raw meat is cut using slicing technology nurtured at processing centers and plated, and then vacuum sealed with a special film. This gives the products an excellent appearance and level of freshness, and enables the production of products with a much longer shelf life.

Furthermore, as an initiative to support our technical capabilities, we are encouraging the acquisition of the advanced meat production qualification "Beef Portioning Meister Certification," which has so far been acquired by 35 of our employees.

This amounts to around 25% of the total number of persons who have acquired this qualification around Japan, and 12 of them work at the Akune Plant.

Overseas demand has traditionally been concentrated on loin cuts such as strip loin and ribeye for steak, but with the recent boom

in Japanese cuisine, demand for cuts suitable for thin slicing, such as shoulder (cold) and round cuts, has also been growing.

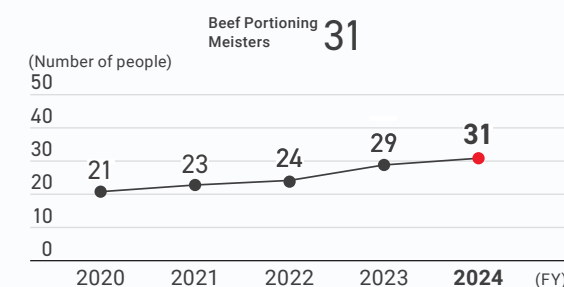
In general, Wagyu beef is exported in large chunks (subprimal cuts), but shoulder and round meats are complex to cut, and in countries without a culture of eating thinly sliced beef, it is difficult to secure personnel with the expertise to cut subprimal cuts, slice them, and plate them.

In order to address these needs, we have strengthened our capacity to **export pre-sliced products.**

While each cut of Wagyu has a wide range of possible uses, it also has the issue of being complex to cut and thus difficult for inexperienced dealers to start selling it in a short period of time.

In our domestic operations, **we have a large number of sales staff who are intimately familiar with Wagyu**, and by collaborating closely with our overseas sales teams, these specialists undertake proposal-based sales to help us grow our results in international markets.

Number of certified Beef Portioning Meisters





Diversity

Adaptability to Diverse Market Needs

In fiscal 2024, the business environment has become increasingly harsh due to factors such as the weak yen, rising raw material prices, and higher personnel expenses. Going forward, to achieve sustainable growth, we will adopt a **market-driven** approach and accelerate the shift toward a highly profitable business model that is **not impacted by market price fluctuations**.

Nurturing of a meat brand not impacted by market price fluctuations

Given its business structure, which is centered on meat wholesale, an issue the Starzen Group has always faced is its susceptibility to the direct effects of market price fluctuations in comparison to major ham and sausage manufacturers. To address this issue, we are advancing various initiatives aimed at **establishing a highly profitable business structure**. One such initiative is the strengthening of our own brand meat products. An example of this is our **Kodawari Pork**, a high-added value product offering more than double the normal amount of vitamin B1 thanks to garlic-derived compounds being blended into the feed. In order to further increase the competitiveness of this brand, we are currently undertaking a review from the perspective of the consumer and are focusing our efforts on enhancing our brand strategy. Furthermore, the **hyokan cold storage aged pork** we rolled out in 2018 uses technology that

matures the meat in the negative temperature range without freezing it, and improves upon the conventional dry-aging method by addressing issues such as yield loss and short shelf life, while enhancing the meat's flavor and tenderness. Our unique products are less prone to being affected by market fluctuations and contribute significantly to profits, thereby supporting overall sales. In the field of meat processing, we took the opportunity presented by the consolidation of functions such as marketing and product development into the Sales Management Division to launch **a corporate branding project** aimed at developing consumer-oriented products. Currently, to strengthen our revenue base, we have put together teams for each brand and product, conducting multifaceted analyses and engaging in continuous discussions to explore the value we provide to consumers and customers.

Development of high-value-added products to meet a wide range of needs

Consumer needs are becoming increasingly diversified on the back of the growing number of double-income households, an expanding ready-to-eat food market, and a shortening of meal preparation times. We have switched our policy from products that compete on price to making the **products of choice for customers** and undertaken a fundamental rethink of our product development process, and we are accelerating our initiatives to add a story and experiential value to each and every product.

For example, data indicate that while there are growing needs for **convenient products** that can be prepared in a shorter timeframe as a result of a growing number of dual-income households, roughly half of hamburger steaks are handmade and are particularly often seen on the dinner tables of households in the child-raising age group. In light of this, with the aim of offering a product that can serve as an alternative to homemade hamburger steaks, we revised the recipe for our hamburger steak, minimizing additives and bringing



out the natural flavors of the ingredients. The new version of this product has been very well received by customers. Recent years have also seen a growing demand for byproducts such as **offal and organ meats** is increasing. Using the strengths we derive from possessing plants with integrated slaughterhouses, we are working on the **development of high-value-added products** using fresh byproducts.

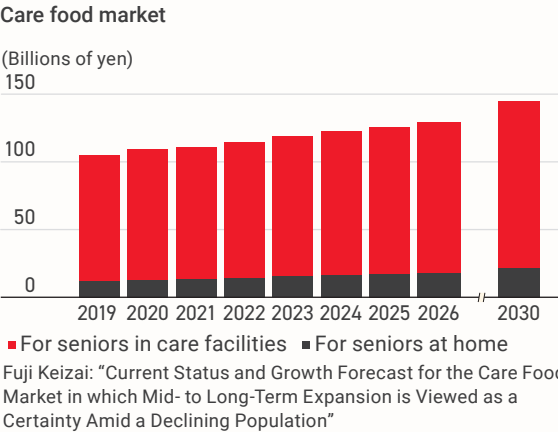


Specifically, by leveraging preprocessing, seasoning, and packaging technologies, we offer a wide lineup of products with a range of uses **from commercial use to household use**. To meet diverse customer needs, we are enhancing our product lineup with offerings such as easy-to-use single-serving packs for households and commercial-use products for convenience stores, yakiniku restaurants, and other such establishments.

Developing the care food market

With the aging of the Japanese population, the care food market is expected to expand rapidly to a scale of 140 billion yen by 2030. However, the deterioration in chewing ability as people reach old age, combined with worker shortages in food preparation sites, poses an issue for our society, and we are jointly developing products with major meal providing companies, focusing on **soft foods** and **chopped foods** to address this issue. In addition, at the Matsuo Plant, which is one of our production bases, we are shifting to a comprehensive in-house production covering the entire process from preparing ingredients for chopped foods to shipment to customers with the aim of reducing manufacturing costs. Going forward, we will work to construct production

systems at other plants and focus on expanding sales.



The Matsuo Plant performs everything from cooking to chopping, achieving cost reductions, increased quality, and in-sourcing



Delivery

Leveraging Domestically Developed Knowledge Overseas

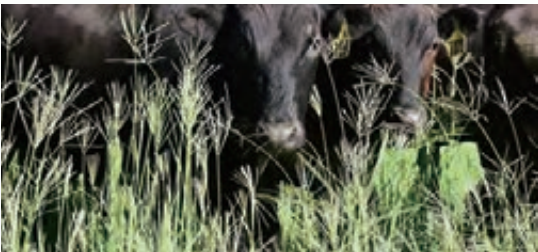
Our overseas business strategy consists of the two pillars of **strengthening local production and sales overseas**, and **expanding exports from Japan**. These initiatives go beyond mere business expansion, and through collaboration between upstream operations in breeding, fattening, and procurement and downstream operations in processing and sales, we aim to enhance overall **business efficiency and maximize group profits**.

Robust breeding, fattening, and procurement infrastructure to support upstream business

As we expand our overseas business, in addition to exporting Wagyu beef raised in Japan, it is crucial to diversify our product lineup and establish a stable supply system. To strengthen our upstream operations, we acquired an **Australian Wagyu** cattle feedlot in Australia in April 2025 with a focus on advantages such as the country's geographical advantages and tariff benefits in export destinations. By being directly involved from the production and fattening stages, we are reinforcing our original brands and building a competitive supply framework. Furthermore, in March 2025, we entered into a capital and business alliance with Mizusako Farm, one of Japan's leading Wagyu beef producers, thereby **strengthening our foundation for a stable supply of Wagyu beef raised in Japan**.

Going forward, we will put in place a system under which we can both secure Wagyu cattle amid concerns over declining numbers in future, and flexibly respond to demand in Japan and overseas. Leveraging this capital and business alliance, we will also apply Mizusako Farm's technical expertise to our fattening operations in Australia.

▶ P.28



An export system covering 51 countries and regions, and further overseas expansion

In downstream areas such as processing and sales, we are working to **establish a locally-focused sales structure**. In overseas expansion, collaboration with excellent partner companies that have a thorough knowledge of local food cultures, customs, and consumer needs is essential. In Singapore, an affiliated company equipped with raw meat processing and distribution functions leverages our expertise in Wagyu beef and cutting techniques to sell Wagyu beef and other products to the retail and foodservice industries. In Hong Kong and Thailand, our interdepartmental

task forces comprising people from the overseas department, the domestic sales department, and the marketing department are at work to build strong customer relationships through proposal-based sales tailored to local needs. Using Wagyu beef as a springboard, we intend to broaden our product portfolio to include Australian Wagyu beef and processed foods. In future, we plan to utilize halal-certified processing facilities in Australia to expand into areas such as the **Middle East**, where there is a large Muslim population.

Strengthen overseas sales brand

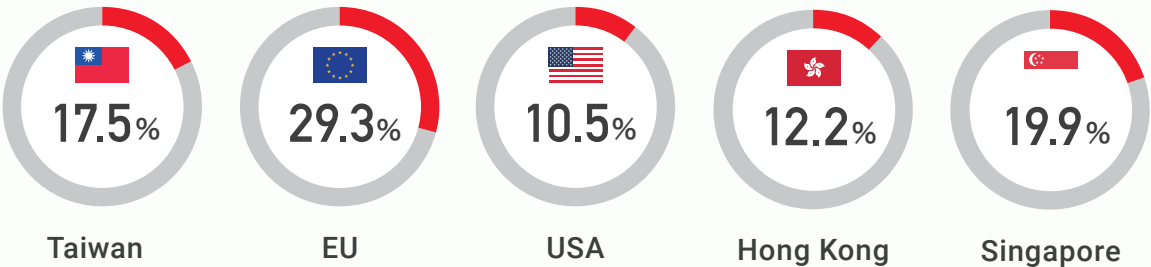
Driven mainly by the **AKUNE GOLD** brand, our Kuroge Wagyu beef raised in Japan exclusively for export, exports of Wagyu beef from Japan are growing smoothly. With an increase in brand recognition thanks to winning the World's Best Steak award at the 2022 World Steak Challenge in Ireland, **the volume of sales to EU countries** has grown over the past few years. And in December 2024, the company won the **Minister of Agriculture, Forestry and Fisheries Award**, which is the top award of the Awards for Excellent Business Operators Engaged in Export. This award was received in recognition of our work from 2009 to construct a supply chain spanning everything from production to processing and overseas sales. Furthermore, we launched two original Australian Wagyu beef brands, **Eight Blossom Beef** and **Imperial Blossom Beef**, and are developing them mostly for the China market. The Eight Blossom Beef brand was crowned class champion in the 2024 Wagyu Branded Beef Competition in Australia, and this has boosted local brand recognition of our beef. We will continue to work to strengthen our branding and differentiate ourselves from the competition.



Expanded exports of beef raised in Japan

In markets in the West, where steak culture is deeply rooted, we are working to broaden demand by making serving suggestions for cuts other than strip loin, such as chuck roll, round, and short plate. Meanwhile, in Asian countries where population and income are expected to grow, we are focusing on increasing awareness and market penetration of Wagyu beef. Going forward, we will continue to promote sales tailored to the characteristics of each market through collaboration with local partners.

Market share by country (beef)





Effective Use of Human Capital

At the Starzen Group, we view the development of employees who can think and act autonomously as an important task for sustainable business growth.

In addition to utilizing the internal recruitment system and e-learning, we support employee growth and encourage them to actively engage in enhancing corporate value through initiatives such as granting restricted shares to ESOP members and increasing the ratio of incentive payments.

By linking these measures with our management strategy, we will work to advance human capital management.

Further promotion of the internal branding campaign

To advance human capital management, we believe it is important not only to invest in human resources but also to link this with the internal dissemination of our management strategy and the Management Philosophy that we updated last year to connecting people and food around the world through inspirational experiences.

In revising this philosophy, 14 ambassadors selected from various departments were responsible for its formulation and for raising awareness and

understanding of it across the organization.

This fiscal year, we have added nine additional ambassadors. In their respective departments, they proactively consider goals and actions that will help realize our Management Philosophy, and then put these actions into practice toward meeting the goals.

Through these activities, we aim to cultivate each employee's ability to see how the Management Philosophy applies to them and act autonomously.

Supporting the personal growth of each employee

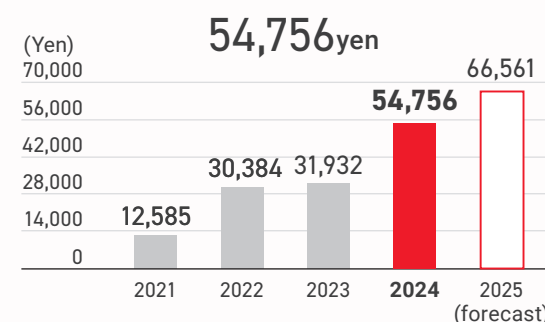
As a new initiative to increase employee autonomy and provide opportunities for proactive learning, last fiscal year we introduced an e-learning program that allows those who are interested to choose the courses that fit their career level and objectives from more than 3,000 available.

Since fiscal 2022, we have also introduced an internal recruitment system that enables employees to apply for positions in departments aligned with their career aspirations. This system supports employees' desire to take on challenges, their personal growth, and career autonomy, while fostering a corporate culture that encourages positively taking on challenges.

In addition to training programs that are implemented according to employees' years of service, provided upon promotion, or tailored to position, we are also focused on developing the next generation of leaders and, among other measures, offer a one-year training program for employees who are earmarked as future executive candidates.

Training costs per employee

71% increase
(compared to FY2024)



*Permanent employees of Starzen Co., Ltd. (including employees seconded to associates)

Internal preparations for securing diversity of human resources

We have set a goal of increasing the ratio of women in management positions from the current 5.5% to 10% by the end of fiscal 2027.

The proportion of mid-career hires promoted to management positions has been maintained at over 40%, and we are continuing to implement this.

In addition, the number of non-Japanese employees has increased by approximately 1.5 times year-on-year to exceed 150, as we actively work to make diversity-focused appointments to management and to utilize human resources.

In recent years, the proportion of senior employees has been rising, and in 2024 we revised compensation for staff rehired after retirement to enable their ongoing involvement in work by leveraging their experience and skills.

Furthermore, to help employees who have to balance work and caregiving responsibilities to keep working with peace of mind, we have increased the number of caregiving leave days and introduced a new program that allows unused paid leave that used to be forfeited upon expiration to be accumulated and used for caregiving.



Aiming for an organizational structure combined with corporate strategy

In taking forward our management strategy, we believe it is important to foster an organizational culture that supports individual growth and encourages employees to take on challenges, and we are proactively making the necessary investments in human capital.

We are working to recruit a diverse range of human resources with a wide variety of skills, experiences, and values. They will hone their skills through cross-functional experience and the deepening of their expertise, thus contributing to the results achieved by the organization as a whole.

Furthermore, we aim to realize our Management Philosophy by ensuring that employees in different positions and roles share the same goals and align their perspectives.





Chapter

03

Value Creation Story

Starzen Group's Robust Supply Chain

The Starzen Group, whose business footprint began with meat wholesaling, has evolved its functions through the evolution of its distribution formats, now encompassing everything from livestock to carcasses, subprimal cuts, and processed meats.

Starzen takes responsibility for everything from the breeding and fattening of livestock to processing, sales, and quality management, and counts among its strengths a structure that enables "Team Starzen" to make product proposals to solve customers' problems and meet their needs.

- /19 History of Starzen
- /21 Starzen at a Glance
- /22 Value Creation Process
- /23 Business Model
- /24 Six Forms of Capital





History

History of Starzen

1948 -

Taking on a pioneering challenge for the meat industry in Japan, the Company successfully delivered beef carcasses to U.S. forces in Japan, thereby establishing a footprint in meat wholesaling



Company employees pictured in front of beef carcasses bound for U.S. forces in Japan (1954)

The Company began its business in 1948 by buying and selling livestock and entered the meat wholesale business the following year. The Company then attracted attention in the industry with a bold bid to supply beef carcasses to the U.S. military stationed in Japan (a special procurement of the U.S. military) and started deliveries in 1952.

Doing business with the U.S. military led to increased sales and a solid business foundation.

The Company became a pioneer in Japan's meat industry after becoming the first domestic company to transport pork carcasses over long distances using ice-cooled trucks and to import frozen beef from Australia on a trial basis.



Net Sales

Establishment of Starzen

1948

1970 -

Increases processing capacity and expands sales network
Business grows by meeting increasing demand for Western-style food in Japan



Chiba Frozen Foods Plant for producing hamburger patties

In the 1970s, with rapid economic growth, Western-style eating habits began to become commonplace in Japan, and we expanded our business to meet the demand.

In 1971, Starzen began supplying imported hamburger beef patties to McDonald's Japan, which had opened its first restaurant.

The Company dispatched engineers to the United States to acquire production techniques, and opened Japan's first plant dedicated to 100% beef hamburger patties.

Around the same time, the Company established Zenchiku Australia and started exporting beef to Japan, becoming the top company in Japan in terms of volume of imported meat handled.



Starzen's founder and president of Australian business partner

1960

1990 -

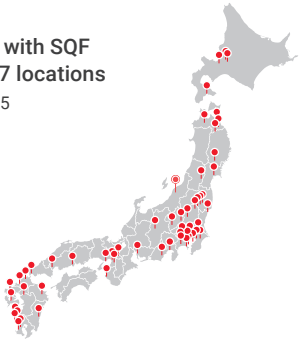
Responding to growing food safety awareness

After the liberalization of beef imports in 1991, logistics became increasingly diversified in the meat industry, and interest in food safety heightened.

In 2003, Starzen became the first company in the industry to introduce a traceability system that can track the production history of domestic cattle.

In 2004, Starzen became the first in the industry to be certified under the international SQF (Safe Quality Food) standard for food safety, and led the way in building the kind of quality management system found in the plants and business offices of today.

Business sites with SQF certification: 57 locations
*As of April 1, 2025



In 1995, to prepare for forthcoming worker shortages, we entered the prepackaging business, handling everything from slicing to packaging, and in 1997, we strengthened our prepackaging business by opening the Shibaura branch office within the Tokyo Bubunniku Meat Center.

At the Matsuo Plant, which was spun off in 1998 and became Starzen Foods, we have been constructing a production system that captures the needs of the times, for example by launching a plant dedicated to hamburg steak products.

Summary

1948 -1969

- 1948
Zenkoku-Chikusan Co., Ltd. established
- 1955
Start of frozen beef imports from Australia
- 1957
Start of Japan's first ever long-distance pork shipments using ice-cooled trucks
- 1958
Start of pork carcass shipments using refrigerator trucks
- 1962
Listed on Second Section of the Tokyo Stock Exchange

1970 -1989

- 1970
Renamed Zenchiku Co., Ltd.
- 1971
Commencement of patty deliveries to McDonald's Japan
- 1972
Chiba Frozen Foods Plant established (beef patty plant)
Zenchiku Australia established
- 1977
Listed on First Section of the Tokyo Stock Exchange
- 1984
Akune Zenchiku Co., Ltd. established (now Starzen Meat Processor Co., Ltd. Akune Plant)

1970

1980

1990



History

History of Starzen

2009 -

Responding to changes in the environment, strengthening overseas business



Ceremony marking the start of exports to Singapore, Macau, and Thailand (2010)



HAMDAS-RX automated pork ham deboning machine (2017)

In anticipation of a future contraction of the Japanese market caused by a declining population, in 2009 we started working to obtain certification as an export handling facility, and in 2010, the first exports were shipped from the Akune Plant to Singapore, Macau, and Thailand.

In January 2017, as a response to worker shortages, we became the first in Japan to introduce the HAMDAS-RX automated pork ham deboning machine and commenced its full operation.

2020 -

Promoting sustainability management

To fulfill our increasing social responsibilities as a company, we established the Sustainability Promotion Section in April 2020 and the Sustainability Committee in October 2020 to promote sustainability management.

In February 2022, we identified the material issues that we need to address over the medium to long term, and in particular, we announced GHG reduction targets as a measure against climate change.

2024 -

Establishment of new Management Philosophy and acquisition of Australian Wagyu beef feedlot

In April 2024, the Starzen Group overhauled its Management Philosophy for the first time in 33 years.

On the basis of numerous discussions held by ambassadors selected from across our organization, we created a new Management Philosophy that describes what we should be, and formulated a Brand Vision from the perspective of consumers as a policy aiming to make the Management Philosophy a reality.

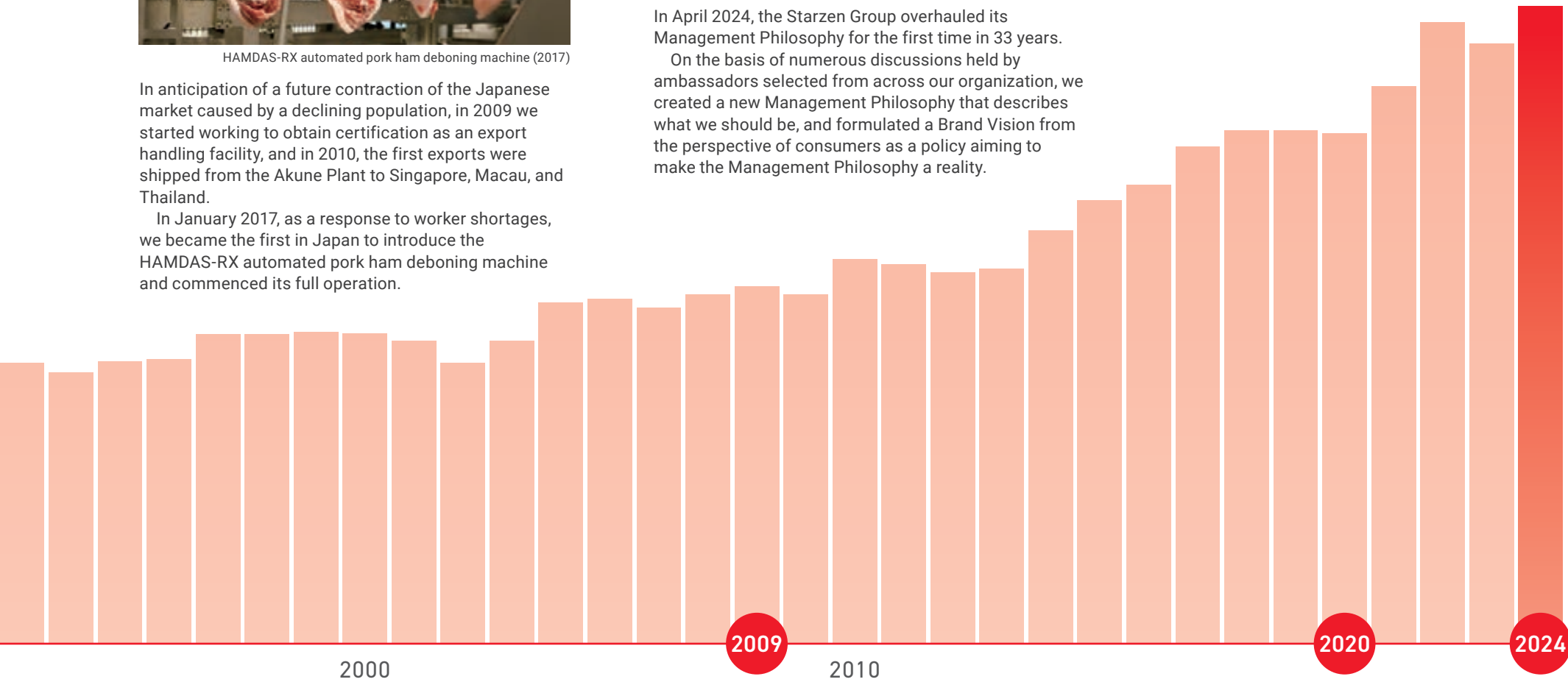


Broad Water Downs Pty Ltd (Australia)

In April 2025, we acquired the Australian Wagyu beef feedlot Broad Water Downs Pty Ltd as a subsidiary as part of our measures toward the “aggressive overseas business expansion” set out in our medium-term management plan.

This has created a strong supply infrastructure for Australian Wagyu beef, and based on this we will expand our sales to China and Southeast Asia.

¥436.1 billion



Summary

1990 -2009

- 1995
Expansion of prepackaging business
- 1999
Renamed Starzen Co., Ltd.
- 2001
Start of operations at the Akune Plant Beef Center, which complies with the Hazard Analysis and Critical Control Point (HACCP) system
- 2004
Became the first SQF-certified operator in the logistics business

2010 -

- 2010
Start of Wagyu beef exports
- 2012
Acquisition of LOHMEYER CORPORATION as a wholly-owned subsidiary
- 2016
Capital and business alliance with Mitsui & Co., Ltd.
- 2017
Became the first in Japan to introduce the HAMDAS-RX automated pork ham deboning machine
- 2018
Establishment of the Motomiya Plant (dedicated baked hamburger steak plant)
- 2021
Established Starzen (Shanghai) Co., Ltd. in China
- 2025
Acquisition of Broad Water Downs Pty Ltd (Australia) feedlot as a subsidiary



At a Glance

Starzen at a Glance

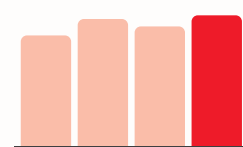
(as of March 31, 2025)

Foundation

77th
anniversary

Est.1948

Net sales

¥436.1 billion

Employees (consolidated)

2,783

ROE

14.6%

EBITDA

¥12.3 billion

ROIC

6.2%

Number of customers

5,000 approx.

Data for the past year



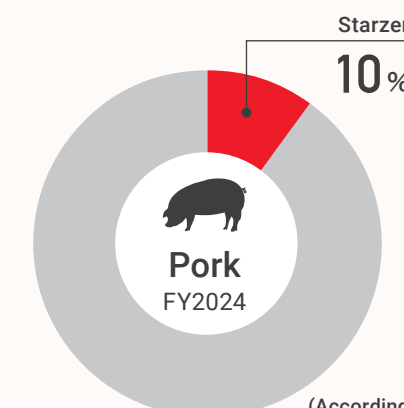
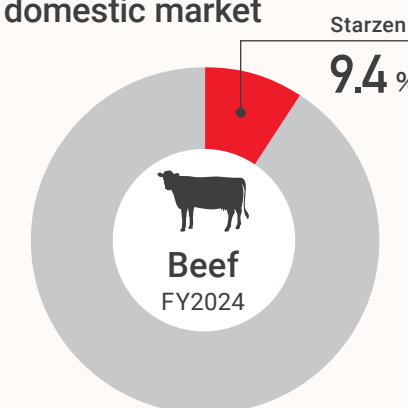
Sales offices

50 nationwide
(approx.)Processing and production sites
19 nationwide

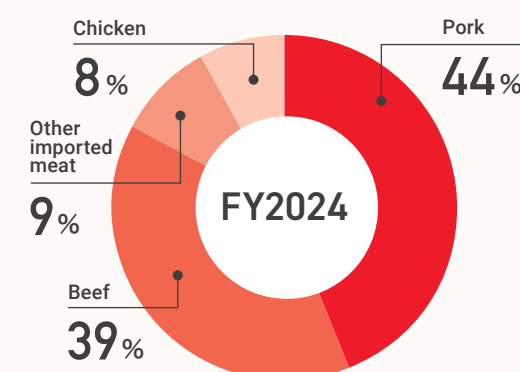
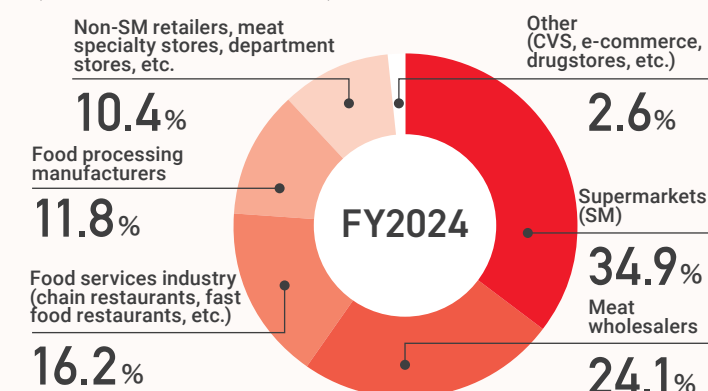
Export destinations

51 countries
and regions

Sales share in the domestic market



(According to our research)

Sales breakdown by meat type
(domestic produce & imports)Customer composition
(based on net sales)

Overseas offices





Value Creation Process

Value Creation Process

Management Philosophy Brand Vision

▶ P.01

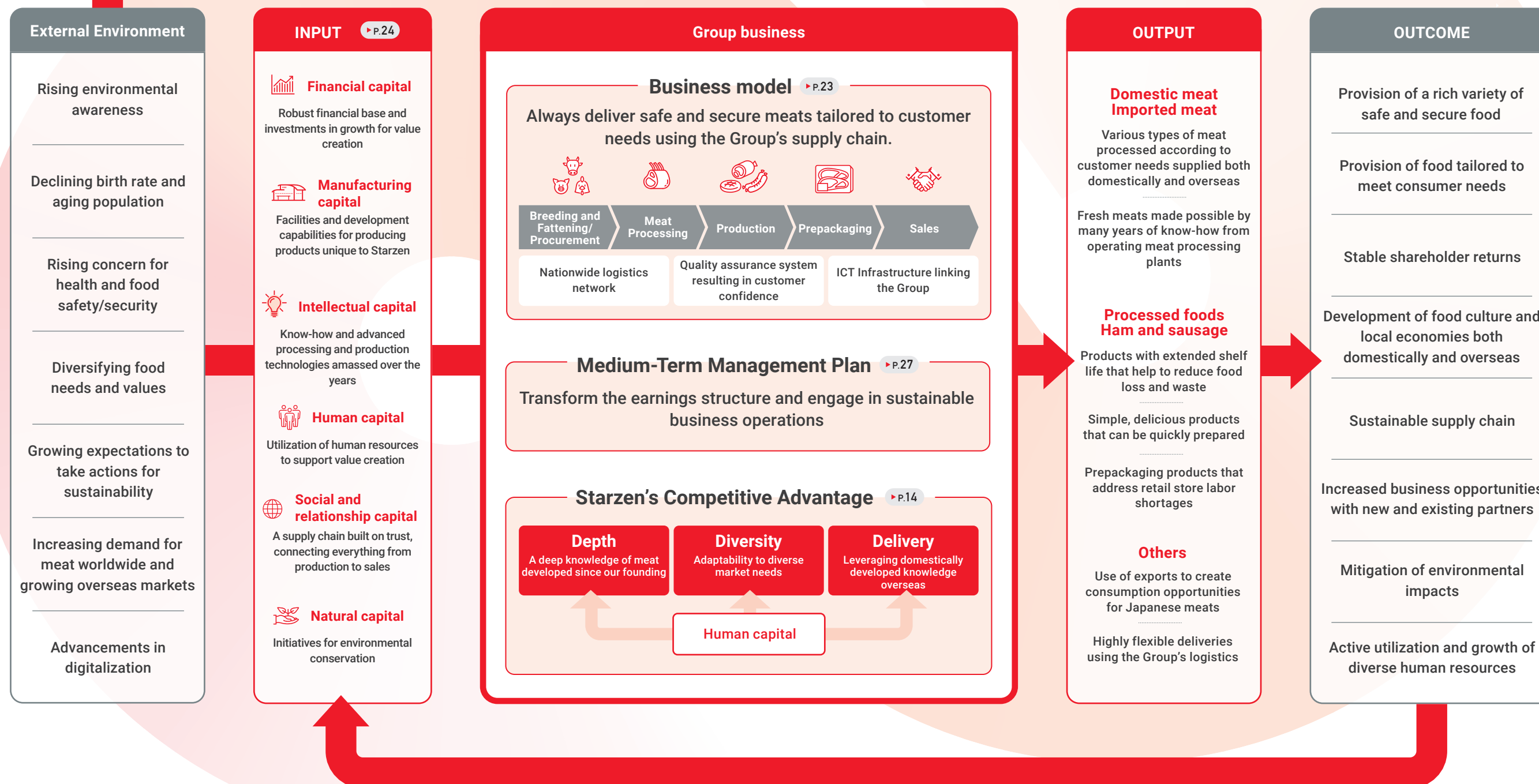
Sustainability Management

▶ P.32

Materiality Theme

E • Environmental sustainability

- Creating an attractive workplace where employees are happy to work
- Pursuing safe, secure, and healthy food
- Maintaining and improving a stable and sustainable sourcing and supply chain system

G • Realizing highly effective corporate governance

Value Chain

Business Model

The value produced with a robust supply chain

We produce and sell a variety of meat and processed meat products from Japan and overseas, delivering happiness and vibrant diets to people all over the world.

The Starzen Group has grown its business footprint from meat wholesaling, transforming its distribution format from livestock to carcasses, subprimal cuts, and processed meats, while also expanded its functions as a leader in the industry.

Today, we have created a system that allows us to resolve customer issues and make proposals that meet the diversifying needs of consumers as “Team Starzen,” with the Group handling everything from breeding and fattening/procurement, and processing to production, sales, and quality control of processed products and prepackaging.

Based on the six forms of capital that serve as the source of value creation, our **total supply chain** makes it possible to provide and ensure high-value-added products and stable supply so as to meet market needs.

Breeding and Fattening/Procurement



Starzen's Strengths

- Group farms among main livestock production sites in Japan
- Allied livestock producers operating in main livestock production sites in Japan
- Long-term cooperation with overseas meatpackers

Meat Processing



Starzen's Strengths

- Plants with slaughterhouses
- High hygiene standards and quality control of our plants with international food safety standard SQF certification
- Industry-leading processing techniques ensured by qualified personnel

Production



Starzen's Strengths

- Production and OEM production of ham, sausages, roast beef, hamburg steaks, and other NB products
- Ensuring a stable supply of raw materials through strong procurement capabilities

Prepackaging



Starzen's Strengths

- Meat cutting know-how and technique
- Production of a wide variety of products tailored to meet customer needs (convenience, prepacking, long-life products, etc.)

Sales



Starzen's Strengths

- Meat sales know-how and product proposal capabilities
- 50 sales offices nationwide
- Export to 51 countries and regions possible



Six Capitals

Six Forms of Capital

Six forms of capital form the source of the value created by the Starzen Group.

Strategically utilizing these forms of capital enables us to develop high-value-added products that meet the needs of the market and supply them in a stable manner.

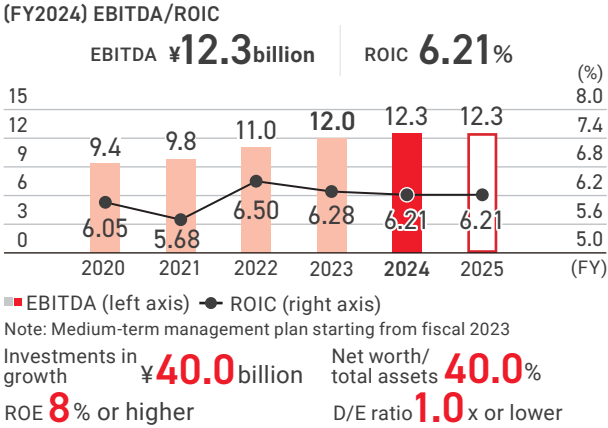
Through collaboration with a wide range of stakeholders and creating value together, we will work to find solutions to issues faced by society and realize a sustainable society.

Financial capital:Maintenance of robust financial base and investments in continuous growth for value creation

While maintaining a D/E ratio of 1.0x or lower and an equity ratio of 40% or higher as set out in our Medium-Term Management Plan, we will proactively invest in growth and work toward increased profitability and a stronger financial base.

Along with asset reallocation and compression from the perspective of capital efficiency, we are working on the optimum equity composition that takes into account both reduction in the cost of capital and the maintenance and improvement of trust.

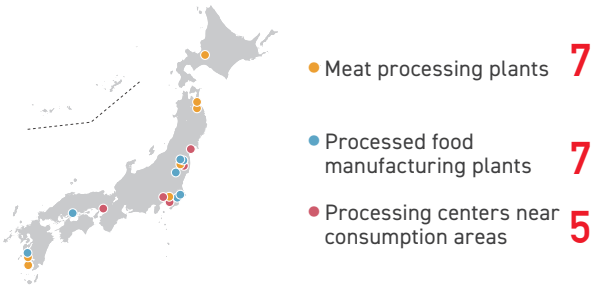
On a basis of financial soundness, going forward we shall continue to create returns that exceed the cost of capital and pursue the optimum balance between investment and shareholder returns.



Manufacturing capital:Facilities and development capabilities for producing products unique to Starzen

We have an extensive global procurement network, as well as meat processing plants attached to livestock processing plants, and have put in place a system to ensure a stable supply of fresh raw materials.

On the basis of customers' needs, we have constructed a comprehensive production system that enables swift commercialization at each plant and facility.

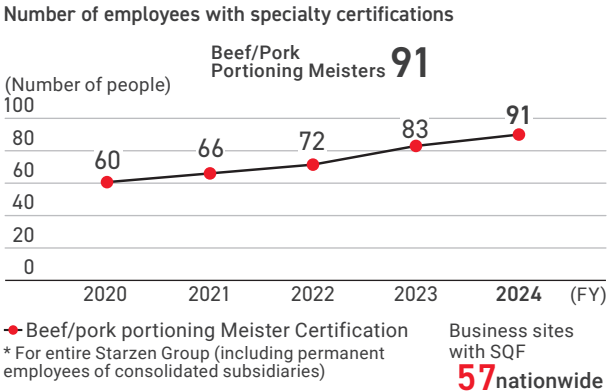


Intellectual capital:Know-how and advanced processing and production technologies amassed over the years

With the goal of achieving increased specialization in meat production, we are encouraging the acquisition of beef/pork portioning Meister Certification and ham, sausage, and bacon production skill certification.

Of particular note, Starzen Group employees make up 25% of those who have acquired beef/pork portioning Meister Certification.

We have set up a committee to promote Meister Certification and hold regular training sessions and cutting contests, and by doing so, we support skill improvement and qualification acquisition while also contributing to higher added value and differentiation for products.

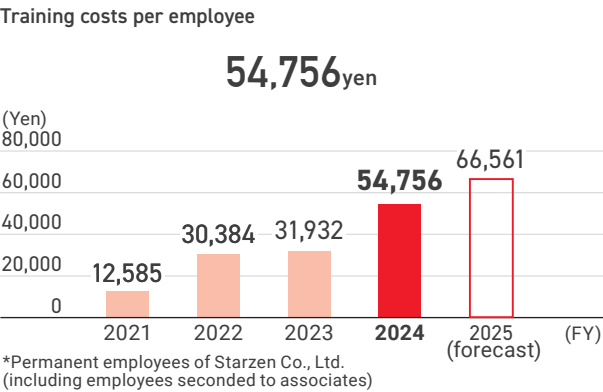


Human capital:Nurturing of human resources supporting value creation

Starzen undertakes human capital management that links instilling of the Management Philosophy with human resource investment.

Each department undertakes initiatives whereby employees take it upon themselves to consider goals and actions based on the Management Philosophy and then put these into action, and thus aims to nurture the ability of employees to act autonomously.

Furthermore, we provide opportunities for learning through means including e-learning, internal recruitment system, and career training, while also taking actions that include establishing a care support system and reviewing post-retirement compensation in order to put in place a workplace environment to allow employees of every generation to shine.



Social and relationship capital:A supply chain connected by trust, from production to sales

We have built trusting relationships with producers by sharing information through dialogue and study sessions with livestock producers.

Such collaboration is vital in terms of ensuring a stable supply system and improving our capability to make product proposals.

We also focus on creating products that customers can trust and feel safe with, and in addition to working with suppliers, we emphasize the creation of trusting relationships with a wide variety of customers including retailers, restaurants, meal providing companies, wholesalers, and food manufacturers.

Furthermore, we are also proactively working overseas to enhance our procurement infrastructure and construct sales channels.

Number of customers	5,000 approx.*
Overseas subsidiaries and business sites	7
Export destinations	51 countries and regions
Import sources	25 countries
*Data for the past year	

Natural capital:Initiatives for environmental conservation

With a view to enhancing our response to climate change, we obtained Science Based Targets initiative (SBTi) certification in June 2024.

The Starzen Group views climate change as an issue of particularly high priority.

Going forward, we shall continue to undertake environmentally-conscious business operations, including reducing greenhouse gases (GHG), reducing food loss and waste, and advancing a modal shift.

Emissions reduction rate by scope up to end of FY 2030 (compared to FY 2022)	
Scope 1 and 2	42% reduction
Scope 3	25% reduction
FLAG Scope 3	30.3% reduction

Notes: Scope 1: Direct greenhouse gas emissions by the business itself (fuel combustion, industrial processes)
Scope 2: Indirect emissions associated with the use of electricity, heat, and steam supplied by other companies
Scope 3: Indirect emissions other than Scope 1 and Scope 2 (emissions of other companies related to the business' activities)
FLAG Scope 3: Scope 3 emissions specifically related to forest and land use



Chapter

04

Medium-Term Management Plan

Starzen's Medium-Term Management Plan toward Sustainable Growth

This section explains our value creation initiatives based on the Starzen Group's medium-term management plan, which aims to realize a sustainable and prosperous society through a stable supply of food.

- /26 External Environment
- /27 Medium-Term Management Plan 2023-2025
- /28 Tackling the Challenge of Developing New Businesses
- /29 Domestic Business Transformation
- /30 DX Initiatives





External Environment

External Environment

Impact of meat prices and changes in demand in fiscal 2024

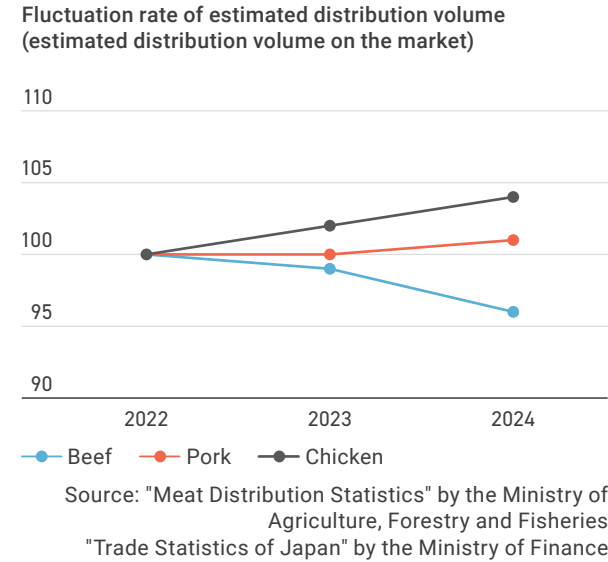
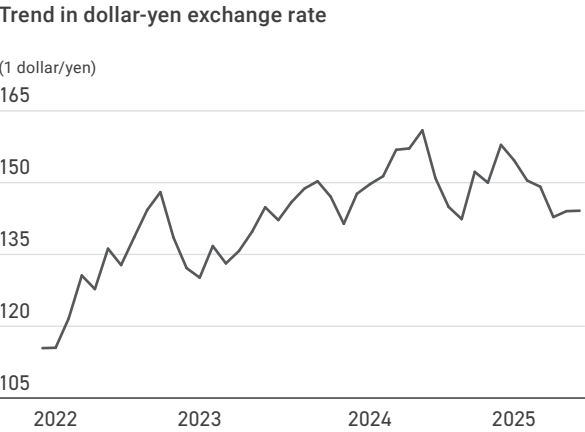
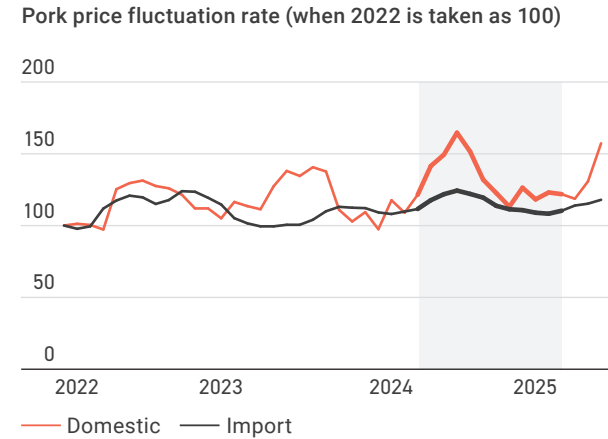
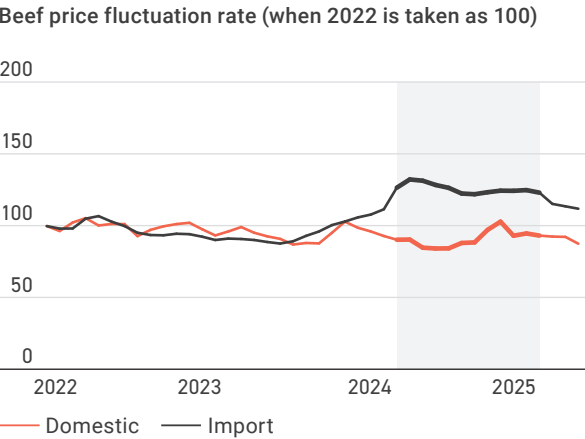
The meat procurement environment for fiscal 2024 was in a tough situation on the whole.

In particular, the price of domestic pork soared to unprecedented levels due to a decrease in the number of animals produced as a result of the extreme heat.

As for imported beef, the rising prices in overseas markets and the impact of yen depreciation kept the price high, which became a factor in suppressing consumption.

In addition to this procurement environment, a decline in real disposable income due to rising prices strengthened consumers' tendency to save money, which led to increased demand for imported pork and chicken, which are relatively inexpensive.

As a result, in fiscal 2024, the market circulation volume for beef decreased by approximately 4% year-on-year, while that of chicken increased by 2%.



Increasing demand for ready-to-eat food products and outlook for market growth

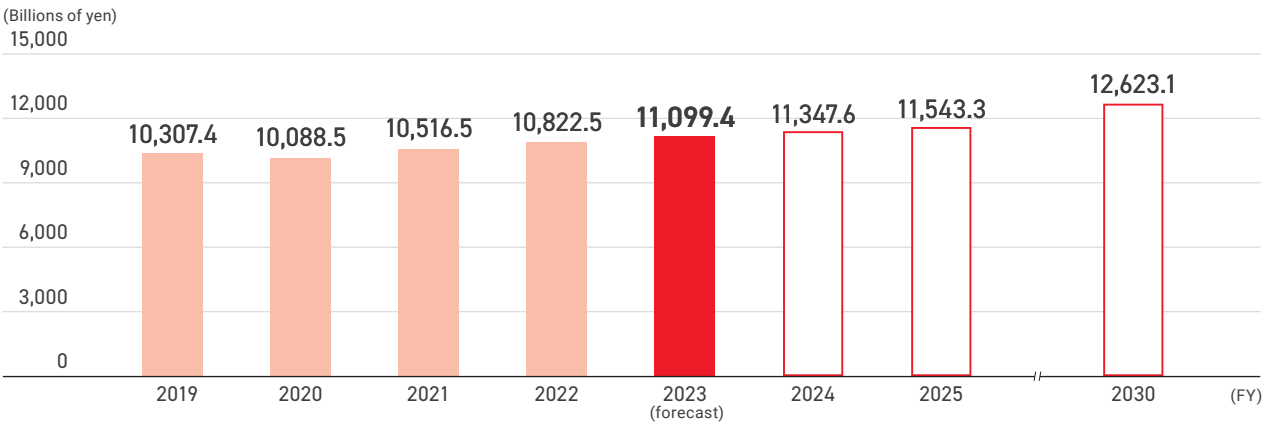
In fiscal 2023, the market for processed delicatessen items and rice-based meals grew steadily to ¥1,159.4 billion, while the market for freshly prepared ready-to-eat foods also grew steadily to ¥9,940 billion.

The increase in single-person and dual-income households as well as the increasing emphasis on

time efficiency has led to an increase in demand for ready-to-eat food products. This has also led to an increased awareness of their convenience.

Both markets are expected to see growth of 10% or higher in fiscal 2030.

Transition and forecast of prepared food and cooked rice market size



Source: "Ready-to-Eat Food & Cooked Rice Market 2024" by Yano Research Institute Ltd.

Outlook for beef consumption in Southeast Asia

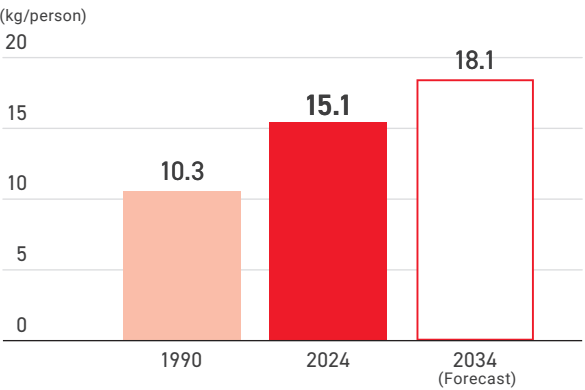
In Southeast Asia, economic growth is bringing about increases in the income of the middle class, leading to a diversification of dietary habits as well as an increase in spending on higher value-added foods.

In particular, demand for beef is increasing due to its palatability and high nutritional value, and personal

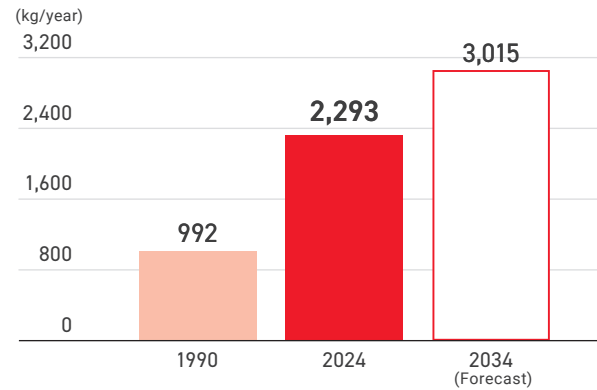
consumption of beef is showing significant growth in the five major Southeast Asian countries (Indonesia, Malaysia, the Philippines, Thailand, and Vietnam).

The beef market is expected to continue to grow sustainably due to a rise in income levels and the progress of urbanization.

Per-capita meat consumption in five Southeast Asian countries



Total consumption in five Southeast Asian countries (Carcass equivalent weight)



Source: "OECD-FAO Agricultural Outlook 2025-2034"



Mid-term Management Plan

Medium-Term Management Plan 2023-2025

Fiscal 2024 marked the second year of our medium-term management plan, and we are steadily implementing various measures and carrying out an investment of ¥40 billion to achieve our targets for the final year (fiscal 2025). We will continue to accelerate our efforts toward achieving further growth in fiscal 2025.

Medium-term management plan overview

	Policy	Basic strategy	Business environment, challenges, and opportunities
Earnings structure transformation Sustainable business operations	1 Tackling the Challenge of Developing New Businesses	Aggressive overseas business expansion Capture business from domestic growth markets	- Increase in international demand for meat - Plants with export licenses ready to supply popular Wagyu beef, etc. - Changes in lifestyles - Room to expand in non-retail segments, etc.
	2 Domestic Business Transformation	Streamlining of domestic operations Development of high-value-added products	- Depopulation in rural areas and labor shortages "2024 problem" facing logistics, etc. - Greater competition in commoditized products - Growing market for cooked foods, etc.
	3 Sustainability Management and Improvement in the Management Foundation	Response to social issues Digital transformation and business process reform	- Growing environmental awareness and ethical consumption - Co-existence between society and companies, etc. - Inefficient operations - Highly complex and aging IT systems, etc.

Fiscal 2025 targets

EBITDA	ROE	ROIC	Equity ratio
¥12.0billion	8% or higher	5.5% or higher	40% or higher

Medium-term management plan targets and their progress

The meat industry found itself in a tough business situation in fiscal 2024, the second year of our medium-term management plan, with consumption shifting to less expensive products due to exchange rate fluctuations, raw material and feed prices remaining high, price escalation, and economic uncertainty. Under such circumstances, we worked to pass on increased costs to product prices and expand the sales of processed foods, thereby

achieving record-high sales and profits. ROE tracked steadily, exceeding the target set out in the medium-term management plan, and we expect ROE to exceed the target in fiscal 2025, despite a rebound from extraordinary income recorded in fiscal 2024. Going forward, we will continue to promote initiatives toward achieving the targets through management that is conscious of balancing growth investments and strengthening profitability.

Consolidated	Fiscal 2024	(YoY change)	Fiscal 2025 (Final year)
Net sales	¥436.1billion	(6.2%)	¥440.0billion
EBITDA	¥12.3billion	(¥0.3billion)	¥12.0billion
Ordinary profit	¥10.6billion	(-1.1%)	¥10.0billion
ROE	14.6%	(4.5points)	8.0% or higher
ROIC	6.2%	(-0.1points)	5.5% or higher

Investment policy

Under the three-year medium-term management plan, we have set the theme of "transform the earnings structure and engage in sustainable business operations," and drawn up a plan to invest a total of approximately ¥40 billion for aggressive overseas business expansion, streamlining of domestic operations, development of high-value-added products, digital transformation, and other purposes. So far, this plan has been implemented almost as scheduled, with over 90% of the plan either completed or underway toward implementation in value terms. We will continue to move forward while monitoring the return on invested capital (ROIC) of each project and examining the investment effect.

Invest a total of ¥40billion over three years

1	Aggressive overseas business expansion	¥6.0~12.0billion
2	Streamlining of domestic operations	¥11.0billion
	Development of high-value-added products	¥6.0billion
3	Digital transformation and business process reform	¥5.0billion
	Maintenance and upgrades	¥6.0billion

Return policy

In order to improve capital efficiency and enhance shareholder returns, we have introduced the dividend on equity ratio (DOE), which was 2.6% for fiscal 2024, and we have set out a dividend policy of achieving a DOE of 3.0%. Going forward, in addition to working to provide stable and continuous shareholder returns, we aim to sustainably increase corporate value while striving to achieve a balance between shareholder returns and investments in growth.



Challenging a New Business

Tackling the Challenge of Developing New Businesses

Based on our medium-term management plan, Starzen is accelerating its business development by seizing growth opportunities both domestically and overseas.
We are working on the enhancement of our global supply system by strengthening export centered on Wagyu beef produced in Japan and acquiring a feedlot in Australia.

Aggressive overseas business expansion

In our medium-term management plan, we have positioned “aggressive overseas business expansion” as a key strategy, and in April 2025 we acquired Broad Water Downs Pty Ltd in Australia as a subsidiary.

Furthermore, we have entered into a business and capital alliance with Mizusako Farm with the aim of strengthening our supply system for delivering high-quality beef both domestically and overseas.



Acquisition of Australian Wagyu beef feedlot as a subsidiary

Background to the acquisition of the Australian farm

Starzen has been building long-standing relationships of trust with local suppliers. For example, in 1955, we imported beef from Australia on a trial basis ahead of our competitors in the industry, and in 1972, we established a local affiliated company (now Starzen Australia).
Compared with other beef-producing countries, Australia has the geographical advantage of being close to China and Southeast Asia, where demand for beef is high.
In addition, with low disease risk and many halal certification facilities, it also serves as a promising gateway to the Islamic market.
Furthermore, the absence of tariffs on imports from Australia to FTA member countries makes us more price-competitive.



Features of the farm

The farm’s area, where approximately 4,000 Australian Wagyu cattle are being fattened, is roughly the size of 1,500 Tokyo Domes combined.
We have created a breeding environment that does not cause excessive stress to the cattle and takes care of their health to ensure high and stable meat quality.
In recognition of its sustainable cattle barn management and fattening methods, the farm was ranked number 2 in the 2024 Australian Feedlot of the Year rankings.

Import tariff rates in each country

		Exporter	
		Australia	USA
Importer	China	0%	32%
	Indonesia	0%	5%
	Thailand	0%	50%
	Philippines	0%	10%

(As of August 2025)

Future outlook

Going forward, we will direct our efforts to strengthening our supply system for Australian Wagyu beef, which is less susceptible to price fluctuations than regular Australian beef, as well as to establishing a distinctive Australian Wagyu beef brand.
The farm that we have acquired as a subsidiary this time has been taking on the contract fattening of our Australian Wagyu brand, “Imperial Blossom Beef.” By acquiring the farm as our subsidiary, it has become possible to take on more in-depth initiatives, such as improving meat quality and increasing the number of cattle being fattened.

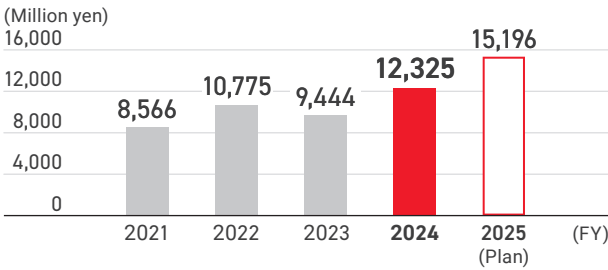


Export project of Wagyu beef produced in Japan and capital and business alliance with Mizusako Farm

We have been expanding our Wagyu beef exports, focusing on the AKUNE GOLD beef brand cattle exclusively raised for export, which was crowned with the top prize at the World Steak Challenge held in 2022.
This led to a boost of our brand recognition in European countries, and its sales volume has been increasing year by year.
In addition, in March 2025, we entered into a

capital and business alliance with Mizusako Farm, one of Japan’s leading Wagyu beef producers. In preparation for the risk of a future decrease in the supply of Wagyu beef produced in Japan, we will build a stable supply system. In addition, we will receive advice on beef production and fattening from Mizusako Farm and apply such advice to our fattening business in Australia.

Overseas net sales





Domestic Business Reform

Domestic Business Transformation

The Starzen Group is strengthening its development of products of choice for customers in order to address issues faced by society, such as the diversification of consumer needs, labor shortages, and food loss and waste. Furthermore, to improve logistics efficiency and address the “2024 problem,” we are reviewing our delivery process, starting with the ordering system.

Development of high-value-added products

Against the backdrop of the growing number of double-income households and changes in lifestyles, consumer’s values and needs are becoming increasingly diversified, with people pursuing different qualities, such as time-saving, simplicity, health, and solitary meals, to name but a few.

In order to respond to these changes, in addition to offering traditional values like price and functionality, we are working to develop products that offer deeper value that will allow consumers to taste a feeling of satisfaction through stories or experience incorporated in such products.

As part of this effort, we have drastically reformed our product development process and now promote a market-oriented approach to product design. In this new approach, which emphasizes the customer’s perspective, target segments and dining scenarios are identified through cross-departmental collaboration across sales, production, marketing, and other divisions.

For example, with regard to hamburg steaks, which are still commonly made at home and are frequently served at dinner tables, especially among families raising children, we took into account the lifestyles and cooking needs of dual-income households and revised the recipe for the hamburg steaks with the aim of creating products that serve as alternatives to home-cooked meals.

The DELI BURG, which has been redesigned to reduce additives as much as possible and bring out the flavor of the ingredients, has achieved a balance between convenience and a hand-made feel, enjoying excellent reviews since its launch.

Additionally, with regard to byproducts such as offal and organ meat, which have attracted attention in recent years, by taking advantage of our strengths derived from possessing plants with integrated slaughterhouses, we are working on the development of high-value-added products supported by the system that ensures a stable supply of fresh ingredients.

Specifically, by leveraging preprocessing, seasoning, and packaging technologies, we offer a wide lineup of products with a range of uses from single-meal packs for home use to products for restaurants and commercial use, working to respond to diverse needs, by offering products for convenience stores and restaurants such as yakiniku restaurants, for example.

Furthermore, we are also responding to the growing need for pre-packed products in the retail industry.

Against the backdrop of chronic labor shortages and demand for improved operational efficiency, we are working to expand lineups of pre-sliced dressed meat, which reduce backyard work in stores, as well as kit products that can be easily commercialized simply by combining meat and sauce.

For customers who do the processing at their own process centers, we utilize our processing know-how to provide standardized raw materials that are easier to handle and have better yields, thereby contributing to the reduction of on-site workloads and losses.

Going forward, by leveraging our on-site perspective and problem-solving capabilities at processing sites, we will work on the development of products that offer new value and experiences to consumers, as well as working to provide optimal products and services, with the aim of improving our corporate value.



Promoting logistics efficiency

Improvement of order accuracy and infrastructure development

The Starzen Group has advanced measures to address the 2024 problem and worked to promote logistics efficiency.

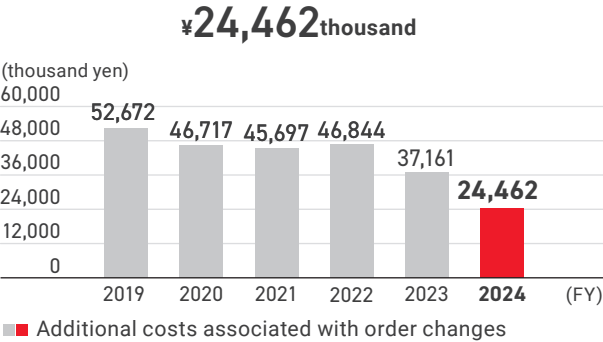
In fiscal 2024, we revised the rules about transportation and delivery within the Group and streamlined the work of related departments. As a result, we achieved cost reductions of approximately ¥10 million and efficiency improvements of 450 hours in one year.

In addition, we have made steady progress in the development of logistics infrastructure, with the relocation of Itami Sales Branch, our core sales base in the Kansai region, into a new building scheduled for the end of 2025 and the opening of Higashi Ogishima Center in Kawasaki City scheduled for 2026.

We will utilize these facilities to further promote the efficiency of logistics-related operations and work to reduce costs by resolving logistics issues such as vehicle loading efficiency.

Going forward, we will continue to strengthen the creation and operation of digital transformation for logistics across the entire Group, and work to build a sustainable logistics system with an eye on the “2030 problem” in logistics.

Additional costs associated with order changes



Itami Sales Center (conceptual illustration at completion)

Modal shifts

Additionally, in order to comply with stricter regulations limiting overtime work for truck drivers, we are piloting a modal shift from truck to ferry and rail transportation for some long-distance mainline routes.

We have been looking at the route between Hokkaido and Kansai as well as the route between Hiroshima and Tokyo for some products, and have been using rail for regular services for a number of years already.

By increasing the proportion of rail transport in those areas since last year, CO2 emissions within the transport routes have been reduced by 31.7% compared to the previous year.

This has not only provided a solution to the driver shortage but has also proved to be effective as an environmental measure.



Modal shifts



Digital Transformation

DX Initiatives

The Starzen Group has management resources, including advanced meat-related knowledge, skills, and technologies that it has cultivated for over 70 years.

At the same time, we urgently need to undertake system renewal and improve operational efficiency to address the challenges we face, which include difficulty in interdepartmental cooperation accompanying business growth, rising costs due to more complex business procedures, and aging systems.

To address such problems, we launched the Zeus Project in April 2019.

Zeus Project

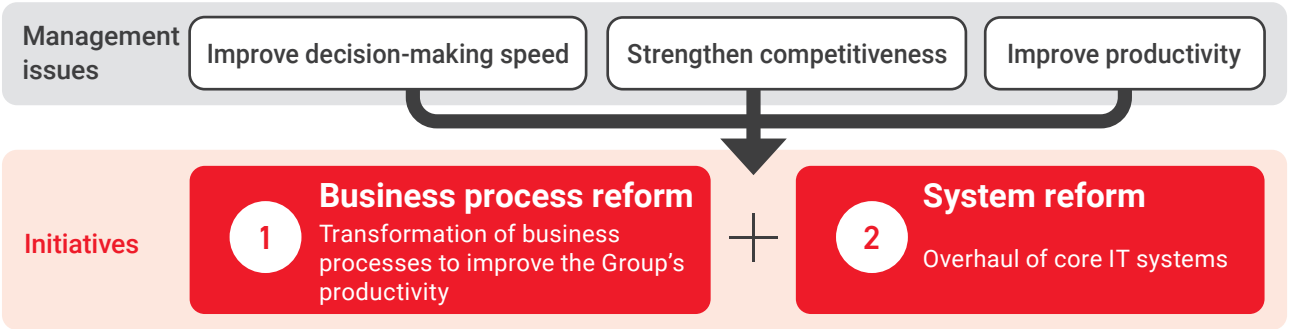
The concept of the Zeus Project is to transform the operation itself in order to promote changes in the way work is done (i.e., business process reform) and revamping our core IT system (i.e., system reform) with the aim of solving management challenges of improving decision-making speed, strengthening competitiveness, and improving productivity.

Even though this initially involved a process of trial and error, we brought to mind the original purpose and meaning of Zeus, and focused on maintaining and continuing our business operations into the future, and

now the members of our ICT Division are playing a key role in creating our new core IT system in-house.

Another strength that our competitors do not have is our ability to promote digital transformation as much as possible internally without outsourcing everything.

We listen to the opinions and requests of our on-site members based on our many years of knowledge and experience and incorporate them into the development of a system that improves operational efficiency and allows various management indicators to be checked in a timely manner.



Logistics vehicle dispatch management system (LINK) going into operation

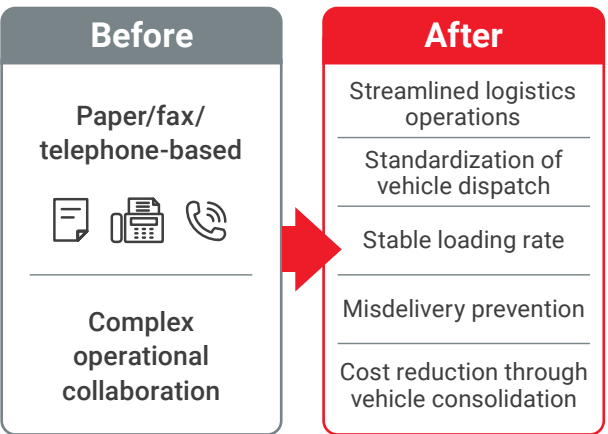
After spending three years on concept formulation to overhaul our core IT systems, we completely revamped our logistics and vehicle dispatch systems in March 2025.

Logistics is the "bloodstream" of Starzen and the cornerstone of our business. However, operations in this field were inefficient, relying heavily on paper, fax, and telephone.

LINK makes it possible to share data both internally and externally with a single entry task, and we are planning to gradually reduce inefficient manual work.

Going forward, as the core IT systems in each department go into operation in a phased fashion, collaboration with LINK will expand and operational improvements within the Group will progress at each site.

This will also help eliminate much of the waste in logistics, contributing to resolution of the issues faced by the logistics industry.



Promoting in-house development to simplify the system construction process

Operations related to meat are often considered difficult to systematize, as they involve a complex combination of many factors, including livestock species, specifications, and formats in which meat is distributed, it is thought to be difficult to systematize such operations.

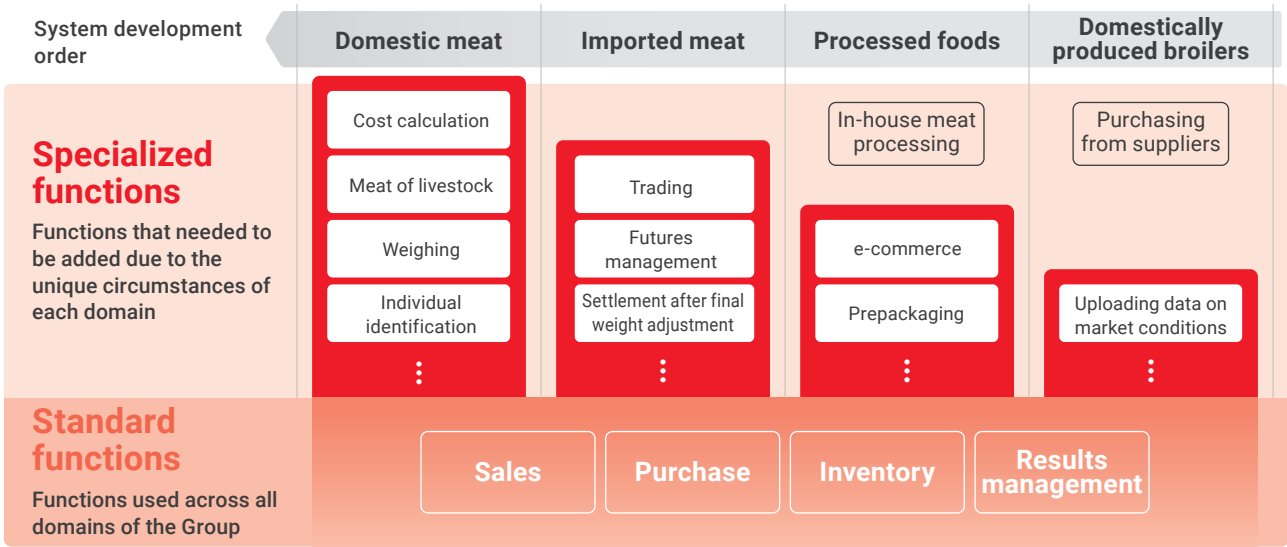
We are proceeding with the Zeus Project in line with the policy of first developing standard functions common to all livestock species and transactions, and then implementing specialized functions specific to each species and transaction.

Based on this policy, in May 2025, we first put into operation a system for domestically produced broilers, which involves relatively simple product specifications and related routine operations.

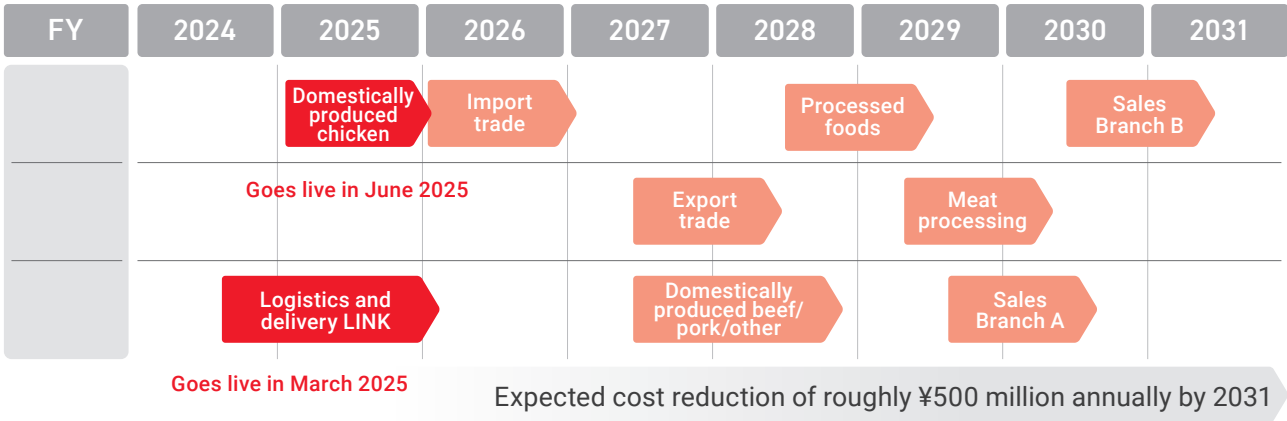
Going forward, we will gradually expand this system to cover beef and pork, which require more complex operations.

The overhaul of our core IT system is expected to lead to operational efficiency improvements of approximately 160,000 hours per year across the Group in the future.

Configuration diagram of the new core IT system (example)



Core IT system operation schedule





Chapter

05

Initiatives for Sustainable Growth

ESG Initiatives to Support Sustainable Growth

Since Starzen has a business structure that is deeply connected to livestock farming and agriculture, protecting and utilizing the blessings of nature is essential to the sustainability of our business.
This section introduces the Group's initiatives for sustainability.

- /32 Overview of Sustainability Strategy
- /33 Systems to Promote Sustainability
- /34 Materiality and Results from Initiatives
- /35 Stakeholder Engagement
- /36 Initiatives Across the Whole Value Chain
- /37 Initiatives for the Environment
- /38 Enhancement of Measures against Climate Change
- /41 Initiatives for Society





Sustainability

Overview of Sustainability Strategy



In line with our Management Philosophy of “Connecting people and food around the world through inspirational experiences,” Starzen Group aims to ensure a lasting contribution to society by expanding the possibilities of food.

Based on an ESG perspective, the Group identified 10 issues of materiality that it must address over the medium to long term in order to realize a sustainable society.

We will strive to address issues facing our society through our business and further strengthen our contribution to the environment and society by expanding the use of renewable energy and reducing food loss and waste.

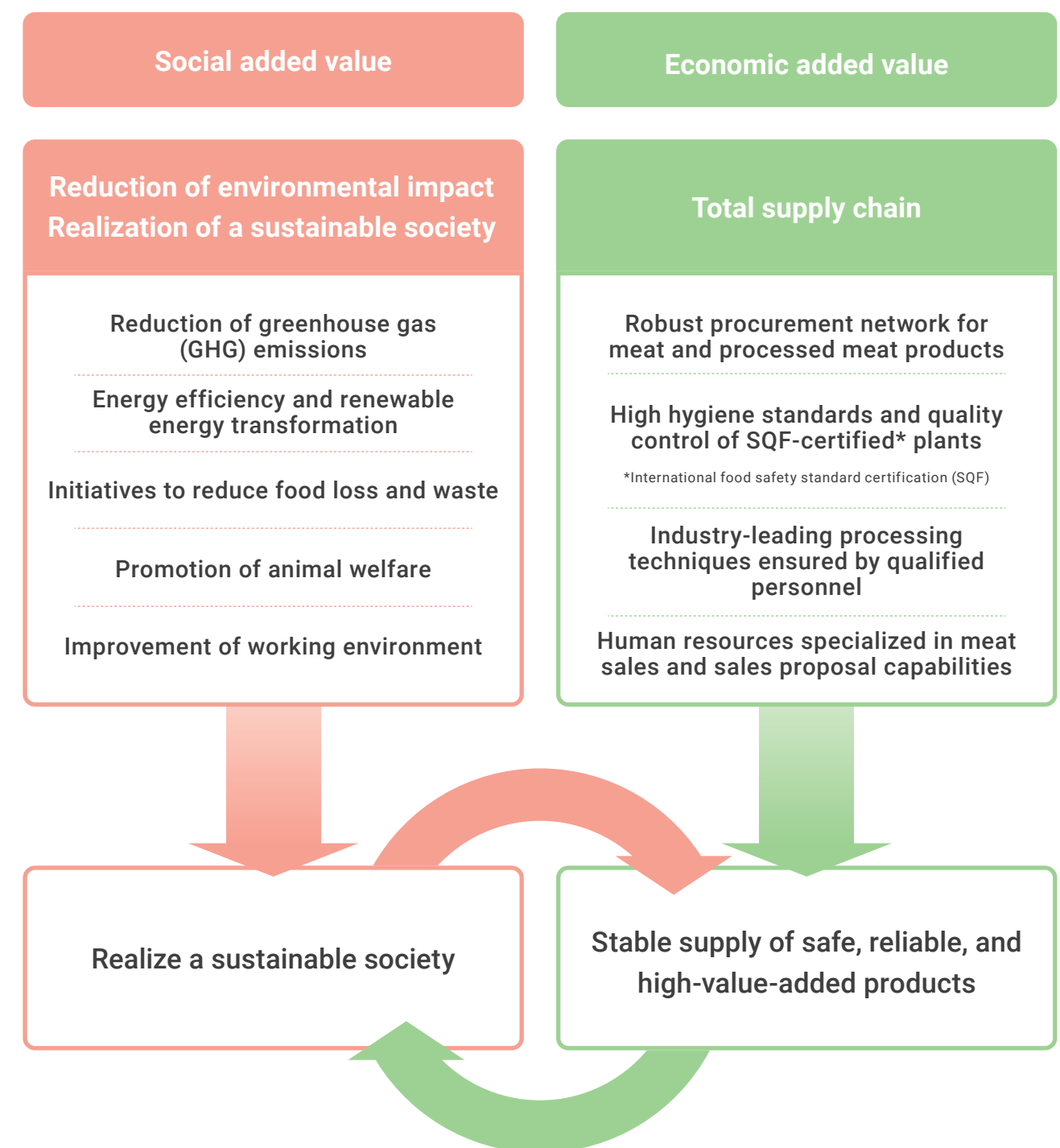
In terms of the reduction of greenhouse gas (GHG) emissions, we have set a target of a 42% reduction in Scope 1 and 2 and a 25% reduction in Scope 3

by the end of fiscal 2030 compared to fiscal 2022, and we are steadily advancing our efforts.

We will also direct our efforts to the promotion of animal welfare and sustainable procurement across the value chain, fulfilling our role as a responsible company that supports the future of food.

Furthermore, in order to promote the creation of a workplace where we can bring out the best in our diverse human resources, we are promoting the active participation of women and mid-career hires, enhancing systems that support flexible working styles, and taking other steps to respect diversity.

The Group aims to address issues facing our society while also improving corporate value, and will continue to take on challenges toward realizing a sustainable society.





Sustainability

Systems to Promote Sustainability

The Starzen Group is promoting cross-sectional initiatives across the entire Group to contribute to the achievement of the SDGs and meet the demand for ESG investments through sustainability management.

As part of this effort, we have established the Sustainability Committee as an advisory body of the Board of Directors. The committee meets four times a year, with the participation of external directors, to deliberate on the status of reviews on policies for sustainability management covering the entire Group as well as the progress of actual measures, and submits its findings to the Board of Directors.

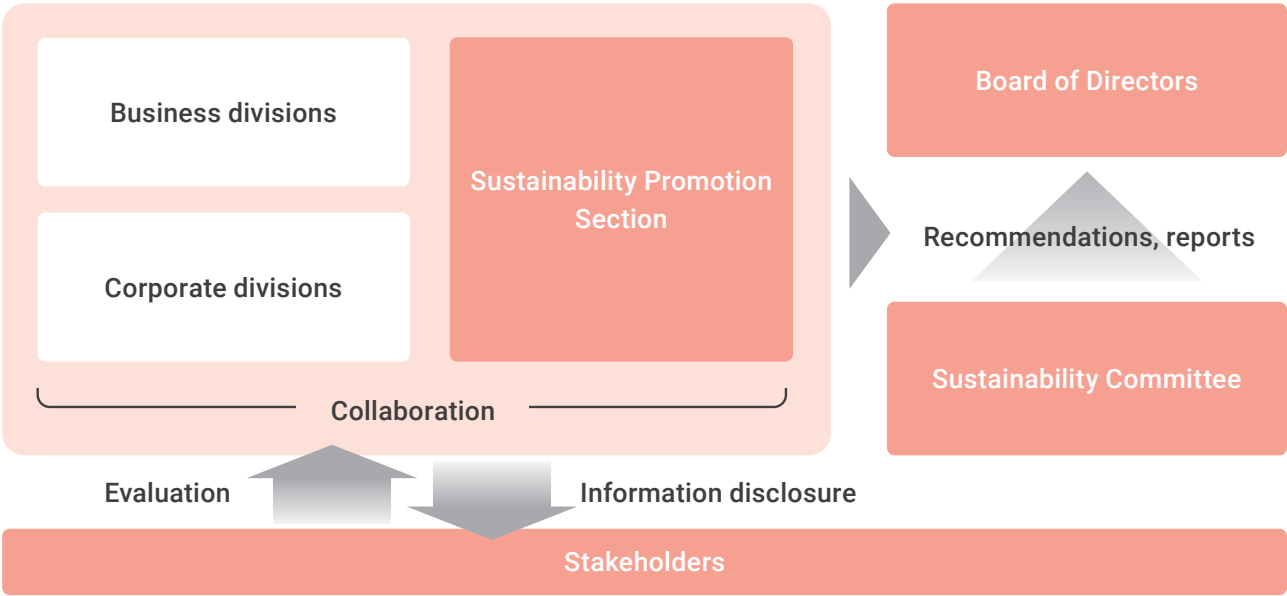
The Sustainability Promotion Section that reports to the Sustainability Committee is responsible for drafting policies on sustainability and promoting more environmentally aware business activities by instilling these concepts across the organization and encouraging our employees to take ownership of these concepts.

Sustainability governance structure

In order to promote sustainability management, the Group has established the Sustainability Committee as an advisory body to the Board of Directors.

The committee, comprising external officers and relevant department managers, meets four times a year in principle to examine and report on sustainability policies and measures.

Additionally, identified risks are shared with the Risk Management Committee and reported to the Board of Directors.



Sustainable management strategy

The theme of our medium-term management plan ending in fiscal 2025 is to transform the earnings structure and engage in sustainable business operations, and the Group is working to achieve sustainable growth to balance profitability and social responsibilities.

We have identified 10 issues of materiality to be addressed over the medium to long term and are working to create business opportunities while reducing risks across the supply chain.

We will collaborate with a wide range of stakeholders to ensure the achievement of our medium-term management plan and further increase our corporate value.

Risk management system

In accordance with the Risk Management Regulations, the Risk Management Committee deliberates on and evaluates group-wide risks including sustainability-related risks quarterly.

The committee analyzes each risk from the perspective of frequency of occurrence and scale of damage, extracts issues, and then considers measures to strengthen risk management and implements such measures at each division level.

Particularly important matters are reported to the Board of Directors.

Additionally, risks discussed and identified by the Sustainability Committee are shared with the Risk Management Committee, where they are discussed and evaluated in the same way as other risks, and then reported to the Board of Directors.

Materiality target management and progress evaluation

Aiming to realize our Management Philosophy of “Connecting people and food around the world through inspirational experiences,” we are working to address materiality.

In particular, we have set targets and indicators for climate change countermeasures, such as the reduction of GHG emissions, and are continuously monitoring their progress.

We are now considering targets and indicators for other issues as well, and planning to set them one by one and steadily move forward with our efforts.

Sustainability Committee membership (As of April 2025)

Position	Name	Roles
Committee Chairperson	Ryoichi Takahama	Director, General Manager of Corporate Division
External Committee Members	Wataru Ohara	Independent External Directors
	Toshiaki Tada	External Audit & Supervisory Board Member
	Masao Uzurahashi	Managing Director
Internal Committee Members	Masamichi Takahashi	Managing Director
	Tsunehiro Sana	Director
	Koichi Koike	Operating Officer, General Manager of Production Division
	Taiji Sugawara	General Manager of Logistics Division
Observers	Kouhei Kanno	Full-time Audit & Supervisory Board Member
	Ryuso Sadanobu	Full-time Audit & Supervisory Board Member
	Hidenori Harada	Operating Officer, General Manager of Audit Department
Secretariat	Sustainability Promotion Section	



Sustainability

Materiality and Results from Initiatives

	Materiality	Target	Policy	Results from recent initiatives
E Environment	Climate change    	- GHGs by fiscal 2030 - Scope 1 and 2: 42% reduction - Scope 3: 25% reduction (compared to FY 2022) - Reduction of water intensity	The Company will work to suppress and reduce CO2 and other GHG emissions in all areas of its business, including livestock breeding and fattening, meat processing, and product distribution. We will also review methods of raising livestock and pursue ways to conserve water resources and reduce GHGs produced by livestock.	- In January 2024, switched refrigerants in freezer storage facilities at the Matsuo Plant to natural refrigerants - In February 2024, received a “B” score rating in CDP Climate Change Report 2023 ▶ P.38 - In June 2024, obtained international certification from the Science Based Targets initiative (SBTi) ▶ P.38 - In December 2024, installed more solar panels in the Akune Plant
	Reducing food loss and waste  	Extension of shelf life and best-before dates	Reaffirming that our business exists thanks to the blessings that come from the precious lives of livestock, we will utilize new technologies to extend the shelf life and best-before dates. In addition, we will promote pig farming using eco-friendly feed, work on effective use of food resources, and reduce food loss throughout the supply chain.	In September 2024, conducted joint research with Azabu University on refrigerated storage using pork from the Akune Plant, and presented research results at an academic conference
S Society	Labor practices   	- Development/utilization of diverse human resources - Establishment of comfortable working environments	One of the tenets of our Management Philosophy is to make Starzen a company that our employees are happy to work for. Putting the health and safety of our employees first, we will prepare a comfortable and attractive working environment where employees can work for a long time with peace of mind.	- Ratio of childcare leave as well as other leave for the purpose of childcare taken by eligible male employees in fiscal 2024: 50% - Ran training sessions for selected employees to develop management human resources (11 sessions in fiscal 2024) - From fiscal 2025, increased the number of days of care leave available
	Occupational health and safety 	Maintenance and improvement of employee health	We will also foster a corporate culture in which everyone respects each other's thoughts and opinions and will work to create a workplace where each individual is enthusiastic about their job and can be proactive and autonomous in their work.	- From 2023, increased the amounts offered to cover the cost of re-examination after regular health check-ups, started online medical consultations - As a measure to prevent excessive workloads, implemented alerts at departments where long working hours have tended to occur
	Employee satisfaction  	Improvement of employee engagement		- From fiscal 2024, started promoting “internal branding” campaign to instill the Management Philosophy across the Company - Granted shares with restricted transferability to Group employees who are members of the Starzen Employee Shareholding Association, and doubled the stock ownership plan incentive grant rate (from 5% to 10%) - In fiscal 2024, held Family Day at the headquarters building in Shinagawa and at the Starzen Meat Processor Kaseda Plant ▶ P.43
	Quality and safety  	Establishment of a value chain that connects everything from production to sales via Safe Quality Food (SQF)	Since the Company's founding, we have wanted to always deliver safe, secure, healthy, and tasty food to our customers. Based on this desire, we will continue striving to become a company that brings happiness to our customers through food as an integrated food supplier.	- From fiscal 2024, audited quality control systems at all sales offices and introduced new ranking systems - From fiscal 2024, ran unannounced hygiene inspections at all sales offices ▶ P.45
	Health and nutrition  	Provision of various proteins through expansion of plant-based product sales		Participated as one of the founding companies of the Japan Soy Meat Association ▶ P.44
	Strengthening the supply chain  	Creation of a robust supply chain	To realize sustainable sourcing and supply, the Company will pursue the procurement of raw materials while considering social issues such as the global environment and animal welfare. In addition, we will work to train and cultivate raw material suppliers who will work with us to tackle climate change issues and the accompanying challenges facing the livestock industry. We will also work to diversify our suppliers and build long-term, stable relationships with them to prepare for the risk of supply chain interruptions caused by natural disasters and other events.	- Installed sunshades to protect cattle from direct sunlight to reduce their stress at feedlot in Australia - Launched initiative to reduce greenhouse gas emissions (Scope 3) with major overseas packers - Joined the NZ Roundtable for Sustainable Beef, a multistakeholder forum focused on the production of sustainable beef in New Zealand, and participated in meetings
	Promoting animal welfare 	- Realization of five freedoms that are the basis of animal welfare - Establishment of a comfortable and healthy farming environment	Reaffirming that our business exists thanks to the precious lives of livestock, we will pursue the five animal freedoms prescribed for animal welfare while taking the lead in improving the livestock farming environment together with veterinarians and universities and other research institutes so that livestock can live their lives in safety and comfort. As the first step, we will gradually promote free-access-stall pig farms and work to improve the breeding environment so that sows have a safe and healthy gestation period.	- Promoted research into free stalls with Ibaraki University as an effort to reduce stress to pigs - Installed drinking water facilities and surveillance cameras in livestock processing plants at all Group companies - Provided opportunities for regular discussions with outside experts
G Governance	Enhancing corporate governance 	Lasting improvement of corporate value	To realize sustainable growth and enhance corporate value in the medium to long term, we will sincerely engage with all stakeholders, including our shareholders, and build a robust organization befitting of a company that is listed on the Tokyo Stock Exchange Prime Market and is capable of swift, bold, transparent, and fair decision-making.	- Surveyed directors and Audit & Supervisory Board members on the Board of Directors - Introduced a system of open discussions from broad perspectives to promote active discussions at Board of Directors' meetings



Stakeholder Engagement

Stakeholder Engagement

We believe that collaborative value creation with a wide range of stakeholders is essential to sustainably increasing the Starzen Group’s corporate value. We will continue to provide value to business partners, consumers, shareholders, investors, employees, local communities, government bodies, and other stakeholders, and promote engagement based on trust, with the aim of building relationships for collaborative value creation.

	Relationships with stakeholders	Opportunities and methods	Engagement examples
Customers and business partners	In line with our Management Philosophy of “be a company with which customers feel fortunate to do business,” we are working to build lasting relationships of trust with our customers and business partners. Through an integrated supply chain covering everything from procurement to processing and sales, we work to provide safe and reliable products and realize a stable supply, while also striving to improve quality.	• Collaboration through business operations • Collaboration on quality, safety, and legal and regulatory compliance, etc. through plant inspections • Business meetings (new product briefings) • Establishment of consortia • Communication through individual business discussions and meetings • Whistleblower hotline for business partners	We invite our export business partners from the United States, Europe, Southeast Asia, and other countries to participate in cutting seminars and visit our domestic farms and plants. We aim to deepen their understanding of hygiene management at plants and processing techniques, and to strengthen trustful relationships.
Consumers	We place importance on the market-oriented perspective to create products and services that meet the diversifying needs of consumers and will continue to work on the creation of trusted brands by making proposals that accurately capture changes in needs and values, as well as safety and security.	• Customer support desks • Consumer monitoring surveys • Understanding needs through various events and store sales • Information broadcasting and communication through websites and social networks	Against the backdrop of changing lifestyles, consumer needs are becoming diversified. The Group emphasizes the proposal of new value and is strengthening our branding team's system for researching potential needs. For example, based on a market-in approach, we sincerely listen to the voices of consumers and develop products, such as the “DELI BURG” series, which balances convenience and the taste of home-made dishes.
Shareholders and investors	We strive to disclose information to shareholders and investors in a timely, appropriate and equitable manner. To improve our corporate value over the medium to long term, we provide highly transparent explanations on our management strategies and financial status, and work to strengthen trustful relationships by creating opportunities for constructive dialogue.	• General Meeting of Shareholders • Results briefings for investors • Various reports • Information disclosure via online and other channels • Individual meetings with investors	We have established a policy for constructive dialogue with shareholders and are working to achieve sustainable growth for the Group and improve our corporate value over the medium to long term through investor relations (IR) activities. In addition to financial results briefings held once a year, we hold individual IR meetings.
Employees	Based on our belief that people support the sustainable growth of a company, we are working to create an environment where employees can work with vigor and enthusiasm. In addition to creating a system where employees can obtain job satisfaction and feel their improvement, we are promoting interactive communication to benefit from feedback from frontline employees and the fostering of a workplace culture that respects diversity.	• Various training programs • Internal awareness of and briefings on medium-term management plans, etc. • Individual meetings • Internal and external support desks • Town hall meetings • Holding of Employee Family Day • Granting of shares with restriction on transfer • Higher subsidy rate for employee stock ownership plan (Starzen Employee Shareholding Association)	To support the autonomous growth of our employees, we have introduced e-learning in July 2024 for those who wish to learn to freely take courses out of more than 3,000 options. In addition, we have introduced an open internal recruitment system that allows employees to apply to their preferred departments and business sites since fiscal 2022, aiming to promote individual growth and organizational activation through job rotation.
Local communities and environment	We emphasize harmony with the local community and the environment, and are working to create sustainable communities through our business activities. Additionally, we carry out dietary education and environmental conservation activities, deepening dialogue with local residents and striving to build mutual understanding and trustful relationships.	• Environmental conservation activities • Dietary education activities and local communication through sports • Activities to support reconstruction of disaster zones • Acceptance of site visits • Participation in local events • Support for forest conservation activities • Initiatives to reduce environmental impacts	While giving great importance to connections with local communities, we engaged in a variety of social contribution activities, including by supporting Ronald McDonald House, sponsoring a youth baseball tournament (Starzen Cup), collaborating with Kitasato University to promote sustainable meat production based on a natural cycle, and donating to conservation efforts in Kiritappu Wetland.
Government bodies and industry	As a company responsible for food safety and stable supply, we place importance on cooperation with government bodies and industry groups. In addition to complying with various laws and regulations, we also respond appropriately to guidelines and systems to contribute to the development of a sustainable meat industry and the creation of a safe and secure society.	• Dialogue with industry bodies and regular exchanges of information • Participation in and collaboration with various industry bodies and external research forums	We are participating in the “Model Project for Supporting Achievement of the Decarbonization Targets of the Entire Supply Chains” led by the Ministry of the Environment. This project is an initiative to promote the calculation and reduction of emissions in Scope 3 through collaboration between companies. We collect and provide data mainly from production sites, thereby contributing to the formulation of calculation rules shared by the entire industry and engagement policies, and actively promoting decarbonization across the industry.



Value Chain Initiatives

Initiatives Across the Whole Value Chain



Breeding and Fattening/ Procurement

- Measures to reduce methane gas
 - Trial feeding of Asparagopsis
 - Trial feeding of amino acid-supplemented feed
- Initiatives using eco-friendly feed



Asparagopsis



Eco-friendly feed



Processing and manufacturing

▶ P.37

- Activities by the GHG Reduction Committee
 - Visualization of local power supply, etc.
 - Solar panel installation: Four plants
 - Partial introduction of renewable energy (Chiba Plant)



Solar panels at Akune Plant



Solar panels at Aoki Foods



Processing center

- Switch to eco-friendly packaging materials
- Greater extension of shelf lives
 - Gas exchange packaging
 - Vacuum-seal packaging
 - Packaging with oxygen absorber



Gas exchange packaging

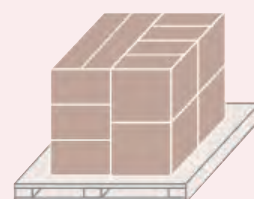


Packaging with oxygen absorber



Logistics and products

- Promoting a modal shift
- Standardized cardboard box specifications
- Increased sales of soy meat products



Standardization of cardboard boxes



Soy meat products

Initiatives to reduce GHG emissions

Continuing from last year, we conducted a feeding trial using feed with proper amino acid balance at Hokkaido Hamanaka Cattle Farm.

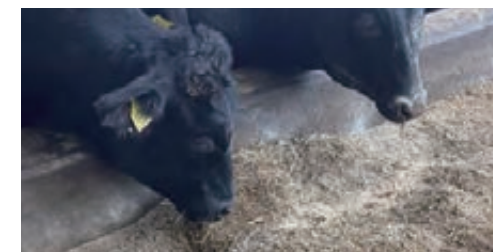
This test is aimed at increasing amino acid absorption within the cattle body and promoting its growth in order to reduce the time needed for fattening, thereby contributing to the reduction of GHG emissions.

As a result of last year's trial, weight gain was observed in 9 out of 10 cattle, which confirmed a certain degree of effectiveness.

We plan to continue to conduct feeding trials and testing.

In another trial in Australia, we have been giving Australian Wagyu cattle feed supplemented with Asparagopsis, which is a type of seaweed native to Tasmania that has been shown to reduce methane gas emissions.

We will continue monitoring the animals' health and weight gain, examine the feed's impacts on their physical conditions and meat quality, as well as the feed's methane reduction effect, and gradually increase the number of cattle to be fed.



Above: Hokkaido Hamanaka Cattle Farm
Below: Asparagopsis cultivation

Initiatives using eco-friendly feed

We use eco-friendly feed made from byproducts generated during the food production process and unsold foods.

The Group's Mihono Pork and Unzen Ariake Farm use eco-friendly feed as pig feed, and deliver products processed by Starzen Meat Processor to major supermarkets, thereby contributing to the promotion of resource recycling and the reduction of environmental impact.

Introducing clean energy

The Starzen Group is aiming to achieve a 42% reduction in GHG emissions by the end of fiscal 2030 compared to fiscal 2022.

We have established a GHG Reduction Committee and introduced an energy visualization system to promote the reduction of GHG emissions.

Currently, solar power generation systems are in operation at four sites nationwide, and an additional system was installed at the Akune Plant in December 2024.

In fiscal 2024, the use of solar panels led to the reduction of CO2 emissions by around 450 tons.

In addition, we have applied heat-reflective coatings on the roofs of some plants to suppress indoor temperature rise and reduce electricity consumption.



Solar panels at Aoki Foods



Environmental Initiatives

Initiatives for the Environment

Shift to energy efficiency and renewable energy

Most of the Starzen Group's GHGs are emitted from our plants, and we are proactively advancing measures, such as the installation of highly efficient equipment at each plant.

We are also pushing ahead with the introduction of renewable energy, and in addition to promoting the installation of solar power generation systems, we are switching to electricity generated without the use of fossil fuels.

The Akune Plant uses a large amount of steam in

production processes, and previously, heavy oil was used to fuel its boiler. However, since 2024, we have been moving forward with a plan to switch to an LNG-powered boiler with a low CO2 emission coefficient.

The boiler, scheduled to begin operation in January 2026, is expected to reduce CO2 emissions by approximately 500 tons per year, equivalent to approximately 10% of the total CO2 emissions at the plant.

GHG Reduction Committee

As part of our efforts to address the issues of climate change, the Starzen Group endorsed the Task Force on Climate-related Financial Disclosure (TCFD) recommendations in December 2021 and has been reporting climate-related information based on the TCFD framework since June 2023.

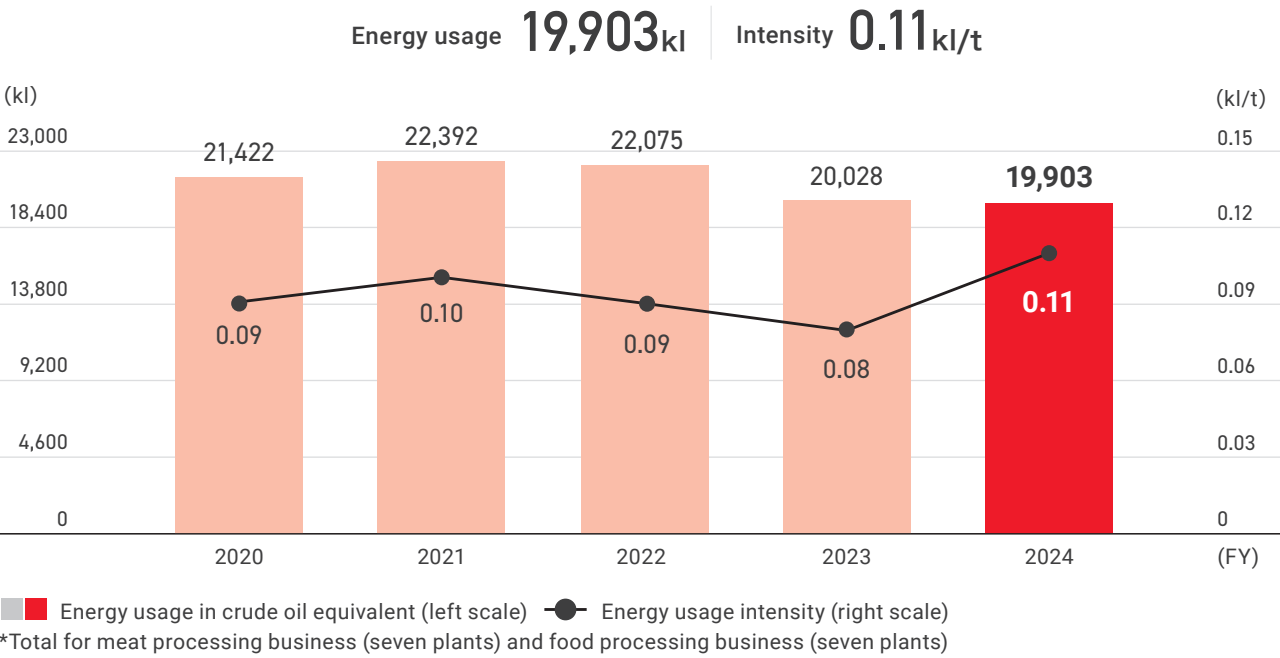
The Group has set a target of a 42% reduction in Scope 1 and 2 GHG emissions and a 25% reduction in

Scope 3 emissions by fiscal 2030. These targets were certified as science-based targets (SBTs) in June 2024.

The GHG Reduction Committee, comprising managers at each plant, is working to ramp up energy-saving initiatives and roll out these programs across the Group.

Specific initiatives include the gradual rollout of an energy management system that can visualize the status energy consumption in real time.

Trends in energy usage



Initiatives for food loss and waste

Japan generates over 4.7 million tons of food waste every year. Usually, meat and processed meat products are discounted in stores as they approach their best-before dates, but if they remain unsold, they are thrown out.

The Group's meat processing plants are addressing this issue by placing meat that is processed under advanced hygiene controls and has fewer initial bacteria

counts into vacuum-seal packaging, gas exchange packaging, or packaging with an oxygen absorber. This allows us to extend best-before dates significantly compared to conventional sliced meat packaging.

Extending best-before dates can help to reduce food waste and loss, and also reduce waste in delivery.

	Air-containing packaging	Gas exchange packaging
Domestic beef	4 days	7 days or longer
Domestic pork	4 days	7 days or longer
Domestic beef by-products	2-3 days	10 days
Domestic pork by-products	2-3 days	8-10 days

*When stored at 4°C or lower

Adoption of eco-friendly packaging materials

As part of our efforts to reduce our environmental impact, the Group is actively working to reevaluate our packaging materials.

We are promoting the use of eco-friendly plastic trays, and we increased the proportion of their use to around 60% in fiscal 2024.

With regard to commercial-use hamburger steaks, we have managed to reduce GHG emissions by approximately 25 tons per year by increasing the use of packaging film materials having low environmental impact.

Additionally, in order to convey these environmental efforts to our customers, we are conducting awareness-raising activities using our proprietary "Ecostar" logo denoting our environmentally friendly products based on our own standards.



The name Ecostar came from an internal "eco-friendly Starzen" campaign for a logo to express our dedication to environmental efforts across the Starzen Group.



Climate Action

Enhancement of Measures against Climate Change

Using the TCFD Framework to disclose risks and opportunities

In February 2022, the Starzen Group identified issues of materiality that it must address over the medium to long term in order to realize a sustainable society.

Among these, social and environmental issues caused by climate change are urgent issues. The medium- to long-term management plan includes an investment plan to promote initiatives that address these issues, including the installation of renewable energy and energy-saving equipment.

We have also identified risks and opportunities for the Group by conducting scenario analyses and estimating the impacts on our business, the domestic and overseas livestock industries, and consumers.

We have used the TCFD framework to organize these risks and opportunities into four categories: governance, strategy, risk management, and metrics and targets, with information disclosed based on actual figures for fiscal 2023.

Progress of TCFD initiatives and future response policy

Governance	In order to promote sustainability management, we have established the Sustainability Committee as an advisory body to the Board of Directors. The committee meets quarterly to deliberate on the formulation of policies related to sustainability promotion and the progress of materiality, reporting and making recommendations to the Board of Directors. Based on the committee's recommendations and reports, the Board of Directors is able to fully understand the status of the Group's efforts to promote sustainability and utilizes the information in the formulation of various strategies.
Strategy	We have formulated a scenario detailing the impacts on its business if the global average temperature rises by 1.5/2°C or 4°C by 2100 compared to preindustrial levels. Based on the scenario, we will estimate the financial impacts of risks and opportunities that will significantly affect the Group's business and reflect the findings in our future strategies.
Risk management	In accordance with the Risk Management Regulations, the Risk Management Committee, which meets quarterly, deliberates and discusses Groupwide risks, including sustainability, and makes recommendations and reports to the Board of Directors. In our risk management, we have formulated a matrix based on the frequency of occurrence and the scale of damage, and we have established a system for fixed-point observation of material risks by the committee.
Metrics and targets	We have established targets for a 42% reduction in Scope 1 and 2 GHG emissions and a 25% reduction in Scope 3 emissions by fiscal 2030 compared to fiscal 2022.Trends in the Group's GHG emissions are posted on our corporate website. Going forward, we will continue to work to reduce our GHG emissions toward carbon neutrality. GHG emissions

“B” score rating from the CDP

We received a “B” score rating in CDP Climate Change Report 2024 published by the Carbon Disclosure Project (CDP). The CDP provides a global platform for companies or local governments to disclose environmental information on climate change, deforestation, and water security.

A “B” score indicates environmental management. Companies with this score understand the environmental risks and impacts of their own business and take actions accordingly.

The score not only evaluates our information disclosure using the TCFD framework but also reflects our initiatives to combat climate change, such as the disclosure of Scope 1, 2, and 3 emissions.



SBTi-certified 1.5°C-aligned targets

The Science Based Targets initiative (SBTi) is a partnership between the World Wide Fund for Nature (WWF), CDP, World Resources Institute (WRI), and the United Nations Global Compact. The SBTi recognizes that companies should have an important role to play in combating climate change, provides support by promoting best practice in science-based target setting, and independently certifies companies’ GHG reduction targets.

We have joined this effort, and our GHG reduction targets toward fiscal 2030 have been certified as consistent with the 1.5°C target outlined by the Paris Agreement.

Obtaining SBT certification is a first step toward achieving our goal of becoming a company that is chosen by customers and can continue to grow.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Raising funds through sustainable finance

As part of our efforts to promote sustainability management, we implemented fund-raising through sustainable finance in February 2025.

Sustainable finance refers to a system in which financial institutions, etc. set and change loan conditions for borrowing companies according to their efforts to address environmental and social issues.

This system helps to promote the sustainable growth of companies through preferential treatment in regard

to interest rates and other benefits given according to the degree to which targets are achieved.

The scheme we have used allows for flexibility regarding how the funds are used, which enables such funds to be used not only for investments related to environmental measures, but also be used strategically for multiple initiatives, including growth investments such as those for the expansion of overseas businesses.

Overview of fund-raising through sustainable finance

Financial product	Sustainability Linked Loan	Mizuho Eco Finance
Contract day	February 20, 2025	February 20, 2025
Contract partner	Sumitomo Mitsui Banking Corporation	Mizuho Bank, Ltd.
Amount financed	¥2 billion	¥2 billion
Purpose of loan	Working capital	Working capital
Environment target	CDP Climate change score A-	Reduce GHG emissions



Climate Action

Enhancement of Measures against Climate Change

Overview of scenario analysis

After aggregating information on business risks and opportunities, as well as identifying the risks and opportunities of climate change that the Company faces, we narrowed down the key points to those with a particularly high degree of impact. Based on the published climate change scenarios, we objectively predicted the future and made assumptions on various risks and opportunities in order to quantitatively analyze their impact on our business under the 1.5°C and 4°C scenarios.

Identification of risks and opportunities

The results of identifying and assessing the importance of climate change risks and opportunities that may affect the Group's business are as follows.

Type	Risk/opportunity items		Impacts on business		Importance
	Category	Item	Risks/ opportunities	Impacts due to risks/opportunities	
Transition risk/possible opportunities	Policy/regulations	Rising carbon prices	Risks	Increased carbon tax burden or rising purchasing costs in response to increased carbon tax burden of suppliers	Large
		Regulations on feed, water, and land	Risks	Rising purchasing costs for beef and pork due to suppliers passing on regulatory compliance costs to product prices	Medium
		Regulations to control livestock excrement	Risks	Increasing costs for investigations and countermeasures	Small
		Stricter regulations on plastics	Risks	Increasing manufacturing costs due to the implementation of laws on plastics recycling (higher costs to purchase and recycle containers and packaging materials)	Small
	Markets	Changes in consumer tastes	Risks	Declining demand for products with large environmental impacts	Large
			Opportunities	Growing demand for development of products with low environmental impacts and for alternative sources of protein	
		Rising fuel and electricity prices	Risks	Increasing transportation and storage costs due to rising fuel prices, etc.	Medium
			Opportunities	Lower production costs from the utilization of solar, geothermal, or other forms of renewable energy	
	Technologies	Declining demand for fossil resources	Risks	Rising costs for packaging materials and additives, and rising costs of refrigerants due to changes in demand for fossil resources	Small
		Development of new low-carbon production technologies	Risks	Growing capital investments to expand adoption of energy-efficient equipment and declining asset value of existing facilities due to the faster pace of technological innovation	Medium
Opportunities			Growing demand for compost made from livestock excrement due to reduced access to petroleum-derived fertilizer		
Physical risk/ possible opportunities	Chronic	Increase in average temperature	Risks	Adverse impacts on livestock as well as on feed and raw materials procurement, and rising electricity costs related to refrigeration, freezing, and HVAC	Large
		Impacts on crops used as feed caused by long-term changes in rainfall and weather patterns	Risks	Rising prices for feed commodities because of poor crop yields caused by water stress Rising cost to restructure supply chains following the shift in areas suited for production Difficulty sourcing groundwater due to saline intrusion in areas where groundwater is used for irrigation or industrial purposes	Medium
	Acute	Increasing frequency and severity of extreme weather	Risks	Declining productivity and damage to farms or livestock caused by the increasing frequency and severity of storm and flood damage Suspension of operations due to plant collapse or production equipment damages Suspension of transportation due to disruptions in logistics networks or warehouse damage, etc.	Medium



Climate Action

Enhancement of Measures against Climate Change

Scenario analysis definitions

Referring to the climate change scenarios published by the International Energy Agency (IEA) and others, we selected scenarios in which the average global temperature is expected to rise by 1.5/2°C or by 4°C, respectively, by 2100 compared to preindustrial levels.

Recognizing that the effects of climate change are likely to materialize over a medium- to long-term time horizon, we are analyzing the impacts of climate change in 2050 as our timeline.

The assumptions used for each scenario are described below.

1.5/2°C

The impact of physical risks will remain limited, but responding to transition risks, such as various regulations and customer requests, will be necessary.

4°C

Governments' low-carbon policies are also limited, the transition to a low-carbon society is restricted to a limited extent, and physical risks will increase due to rising average temperature.

Trial calculation of impacts on our business and response

We organized the main climate change risks and opportunities facing the Group's business based on external information and estimated the impact of material risks and opportunities on our business based on forward-looking data on each risk and opportunity.

We examined how our responses affect these impacts based on the estimates.

The results are shown below.(ND = no data)

Type	Risk/opportunity items		Impacts on business		Financial impacts		Timing of impact occurrence
	Category	Subcategory	Risks/opportunities	Response	1.5/2°C	4°C	
Transition risk/ possible opportunities	Policy/regulations	Rising carbon prices	Increased carbon tax burden or rising purchasing costs in response to increased carbon tax burden of suppliers	- Adoption of renewable energy and energy-saving measures - Extension of product shelf life using skin-packing with gas barrier and vacuum-seal packaging - Measures to reduce GHG emissions	Large	ND	Short term
			Risks: Declining demand for products with large environmental impacts Opportunities: Growing demand for development of products with low environmental impacts and for alternative sources of protein	- Development of low-carbon products such as certified sustainable beef, etc. - Establishment of production system and sales channels in preparation for rising demand - Sales of Zero Meat brand	Medium	ND	Medium term
Physical risk/ possible opportunities	Chronic	Increase in average temperature	Adverse impacts on livestock	- Animal welfare - Introduction of cooling systems in cattle sheds - Cooperation with suppliers to improve breeding and fattening environments	ND	Medium	Long term
			Adverse impacts on feed or raw materials procurement	- Support for suppliers to mitigate flood damage - Diversification of procurement methods	ND	Large	Long term
			Rising electricity costs related to refrigeration, freezing, and HVAC	Adoption of and transition to energy-saving, high-efficiency industrial and business equipment	ND	Medium	Long term



Social Initiatives

Initiatives for Society

Human rights

Human rights policy and implementation structure

Based on the principles of the United Nations Global Compact, the Starzen Group has established a policy on respect for human rights and applied it to all employees.

Going forward, we will gradually apply this to our suppliers as well.

In implementing this policy, the Human Resources Department plays a central role in managing human rights risks. It works in cooperation with the Risk Management Committee, and together, they regularly inspect potential risks and address them.

Human-rights education

We have introduced a human-rights education curriculum that provides programs for higher-level employees, such as training sessions for managerial staff and those for selected employees, to teach about the importance of respecting human rights in companies and the need for such efforts.

This is intended to raise awareness of the company's basic human rights policy, as well as to promote the practice

of responsible business activities that respect human rights.

While our human rights efforts are still at their development stage, we will continue working, strengthen our efforts, and build an organizational structure to realize business activities that take human rights into consideration.



Initiatives in preparation for human rights risks

We identify human rights risks in our business activities, such as occupational safety, hygiene, excessive workload, and harassment, as matters of high priority for human rights and continuously manage and address them.

To prevent these risks from occurring, we launched a safety project at our meat cutting plants, and created and distributed a manual on the handling of knives in 2024.

In addition, to prevent excessive workload, we act at an early stage by issuing alerts to departments where signs of long working hours are observed and encouraging employees to take paid leave.

To prevent harassment, we conduct harassment prevention training and strive to create a

workplace where harassment is not tolerated.

In preparation for the occurrence of problems such as human rights violations, we have established a system for reporting and consultation by setting up one internal and two external support desks for employees.

We have also set up support desks that can be used by employees of our customers, and we accept anonymous consultations at either desk.

When there is a request for consultation, the Compliance Promotion Department acts as the point of contact, conducts an investigation, and takes corrective measures as necessary while protecting the whistleblower.

Respecting the cultural and religious backgrounds of foreign employees and their human rights

The Group is actively promoting the recruitment of foreign employees, primarily at its plants, with the number of employees having increased to approximately 1.5 times its level a year ago.

In addition to providing various manuals and consultation services in multiple languages, we also

provide a prayer room at the Akune Plant, taking their religious customs into consideration.

Through these initiatives, we are promoting practices showing respect for human rights in consideration of our employees' cultural and religious backgrounds.





Social Initiatives

Initiatives for Society

Working environments (D&I), safety, and hygiene

Initiatives for career opportunities for women

The Starzen Group has worked to promote career opportunities for women, aiming to increase female manager representation to 10% by the end of fiscal 2027.

We are working to promote the active participation of women by strengthening our support system for balancing childcare and work, with 100% of our female employees having taken maternity leave and childcare leave.

Under our childcare short working hour system, employees are allowed to reduce their scheduled working

hours by up to two hours per day until the end of March of the year in which their child finishes elementary school.

We have also made it possible for employees to take annual paid leave on an hourly basis, allowing them to find time for childcare more easily.

Going forward, we will work to support women's careers and strive to create a comfortable workplace, promoting the active participation of diverse human resources.

Maternity leave for spouses, paternity childcare leave (ratio of employees taking childcare leave)

We give careful consideration to each employee's life stage and work to expand our leave system to realize flexible working styles.

In addition to providing maternity leave and childcare leave, we encourage employees to take five-day special paid leave when their spouse gives birth.

Furthermore, by treating childcare leave at the time of birth (paternity childcare leave) as special

paid leave, we have created an environment that makes it easier to take leave.

The ratio of childcare leave and other leave for the purpose of childcare taken by eligible male employees was 50% in fiscal 2024, and we will continue to strive to create a workplace where all employees can balance their work and family lives with peace of mind.



Career-track based HR regime

The Group has introduced a career-track based HR regime that allows employees to choose a work style according to their career aspirations and life stages.

We have set up multiple courses that our employees can choose from depending on their work location and job content. We also provide options that allow employees to work in a specific area without relocation.

This allows for flexible work styles that take into

consideration individual circumstances such as childcare or elderly care and supports a balance between long-term career development and job retention.

We have also established a new specialist course for human resources specialized in IT, in which employees can deepen their specialized knowledge and skills in a specific field and work while aiming to build a career as a specialist in that field.



Health and productivity management declaration

The Group has endorsed the Health and Productivity Management Declaration and is actively working to maintain and improve the health of our employees.

In September 2020, we received a Silver Certificate under the Certified Health & Productivity Management Outstanding Organizations Recognition Program.

This certification is a program administered by the Tokyo Promotion Council for Healthy Company Declaration, and it is granted to companies that have achieved certain results in health and productivity management.

Since fiscal 2023, we have aimed to receive a Gold Certificate and been working to further improve the working environment where employees can work with confidence and a sense of security over the long term.



We received a Silver Certificate under the Certified Health & Productivity Management Outstanding Organizations Recognition Program in September 2020.

Expansion of eligibility criteria for full subsidies to receive comprehensive medical checkups

With the aim of maintaining and improving employee health, we have introduced a subsidy program to cover the costs of comprehensive health checkups.

Since fiscal 2024, we have expanded our eligibility criteria, providing full subsidies to employees in their 40s in even-numbered years and to employees in their 50s every year.

Additionally, in order to increase the rate of re-

examinations and complete examinations taken by employees with comments on health checkup findings, we have introduced an online health checkup system to further strengthen employee health management.

This initiative is part of our efforts for the creation of a work environment where employees can work with confidence and a sense of security over the long term.

Enhancement of support programs for recovery from illness and reinstatement

In the event in which an employee becomes unable to work due to illness, the company covers the costs of medical insurance, cancer insurance, and group long-term disability (GLTD) insurance to cover loss of income due to illness, so that employees can

receive adequate medical treatment easily.

We have also introduced a return-to-work support program to provide support tailored to individual employee's circumstances, helping them to return to work with a sense of security.



Social Initiatives

Initiatives for Society

Employee satisfaction, enhancement of the supply chain

Family Day

The Starzen Group holds Family Day as part of its efforts to improve employee engagement and value connections with their families.

The first Family Day was held at our Headquarters in Shinagawa in July 2024, attended by around 150 employees and their families, where they deepened their understanding of the workplace through a sticker rally, exhibitions for dietary education, and hamburger-making experience.

We also held Family Day at the Kaseda Plant in Kagoshima Prefecture in November.

The event was attended by around 230 people, where they enjoyed various activities, such as a workplace tour, meat-cutting demonstrations, and shopping at pop-up stores.

Through holding such events, we are working to reduce distances between families and the workplace and create an environment where employees can work with a greater sense of security.

We will continue to work on measures to increase the satisfaction of our employees and their families.



Internal Recruitment Challenge System

With the aim of supporting each employee's proactive career development, we have introduced the Internal Recruitment Challenge System.

This system matches departments that want to strengthen their human resource development with employees who wish to be transferred, providing such

employees with the opportunity to take on challenges at their own initiative, thereby stimulating their desire to grow.

In addition to increasing mobility within the organization, this system also contributes to the improvement of employee engagement and the placement of the right person in the right position.

Supporting employees' asset building

With the aim of raising employee awareness of business performance and stock prices as well as encouraging employees to share value with shareholders, we implemented the granting of restricted shares (RS) through the employee shareholding association in fiscal 2025.

In addition, we have increased the incentive contribution rate for members of the employee shareholding association from 5% to 10% since April 2025, bringing the participation rate in the employee shareholding association across the Group to over 60%.

Through these efforts, we have not only supported employees' asset building but also improved their awareness of business performance and

stock prices, as well as financial literacy.



Providing stable supplies of meat to people around the world

Identifying "aggressive overseas business expansion" as one of its key strategies in the medium-term management plan, the Group aims to grow in the global market.

As a concrete initiative, we decided to acquire shares of Broad Water Downs Pty Ltd, a Wagyu beef feedlot in Queensland, Australia, in December 2024, and this company joined the Group in April 2025.

This farm is responsible for fattening our Australian Wagyu brand "Imperial Blossom Beef" (93% or higher purebred Wagyu beef cattle)

Through the acquisition of this Australian farm, we have established a stable production and supply system for exports to third countries, primarily to China and Southeast Asia, marking a major step in the expansion of our overseas business.

Furthermore, we expect the establishment of a system that allows us to carry out all processes from raw material procurement to fattening, processing, and sales within the Group will lead to the toughening of our supply chain and the stabilization of quality.

Amid an increasingly challenging business environment due to factors such as the weak yen, rising raw material prices, and higher personnel expenses, we have acquired the Australian farm toward achieving sustainable growth and carrying out our mission of providing

safe and secure meat to people around the world.

This initiative has marked a milestone in our growth strategy, as well as constituting a new challenge to contribute to providing stable food supplies globally.

Going forward, we will continue to work to build a sustainable supply system with the aim of delivering "inspirational food experiences" to people all over the world.





Social Initiatives

Initiatives for Society

Animal welfare, health and nutrition

Efforts to ensure animal welfare

The Starzen Group has identified “promoting animal welfare” as a materiality and is making continuous efforts to realize the “Five Freedoms” representing international norms for animal welfare.

Since 2022, we have been working to raise awareness and change behavior on production sites by eliminating teeth clipping of piglets, installing drinking water facilities at all livestock processing plants within the Group, and making training videos, as well as by running short courses for employees.

We are also engaged in research into free-stall breeding through industry-academia collaboration with Ibaraki University and continue to arrange opportunities for regular discussions with external experts, thereby working to improve our rearing management based on scientific findings.

In December 2024, we began experimental pig

farming at an affiliated farm in Kyushu toward eliminating the practice of tail docking.

Since pigs can bite their tails under stressful conditions, tail docking has been commonly practiced from the standpoint of infection control. However, we aim to establish a breeding method that eliminates the need for tail docking by improving the breeding environment.

Furthermore, we are considering replacing some of the liquid eggs used as ingredients for processed foods with cage-free eggs. We will gradually expand their use while taking the supply situation of manufacturers into consideration.

Furthermore, we created the Animal Welfare Policy in June 2025 in order to implement these initiatives in a systematic and sustainable manner.

Going forward, we will further strengthen our efforts across the entire Group based on this policy.



Donation activities for children's cafeterias

Children's cafeterias provide local children with hot meals and opportunities to have meals with others, playing an important role in supporting children in an unstable dietary environment due to their family circumstances.

Supporting the activities of children's cafeterias, we have been donating food as part of our efforts to promote dietary education.

Since 2024, we have been donating hamburg steaks produced at our Matsuo Plant to Tokatsu Kusanone Food Bank, which operates children's cafeterias in northwestern Chiba Prefecture, throughout the year.

We will continue to carry out sustainable food support activities while deepening our ties with local communities.



Promoting the spread of soy meat through our Zero Meat series

The Starzen Group has partnered with Otsuka Foods Co., Ltd. to produce and market our Zero Meat series, soy meat food products made from soybeans without the use of animal ingredients, for commercial use.

The Zero Meat series, appreciated for its deliciousness, healthiness, and environmental friendliness, is starting to become established as a standard menu item at the restaurant chains it is sold to.

Recently, thanks to increasing demand from tourists visiting Japan, its sales have been stable.

Going forward, we will continue to work to further popularize soy meat and increase its visibility through creating products that meet

the diversifying needs of consumers.



Zero Meat hamburg steak for commercial use





Social Initiatives

Initiatives for Society

Quality and safety

Formulation of the new quality policy

With the establishment of our new Management Philosophy in 2024, the Starzen Group formulated a new quality policy, which came into operation in April 2025.

The previous quality policy was established in 2017 to show our sincere attitude toward customers and determination to continue providing safe and reliable products based on lessons learned from past scandals.

In formulating the new policy, we formed a team of members from the Quality Assurance Department with diverse positions and generations, and after about one year of discussion and consideration, we upheld it as our new policy.



1 Our Promise to Customers	The Starzen Group will earnestly listen to customers, work to develop products and improve our services, and strive to provide better products.
2 Legal and Regulatory Compliance	The Starzen Group complies with all food-related laws and regulatory requirements, and acts in accordance with internal rules and regulations.
3 Quality Assurance Activities	All employees of the Starzen Group are committed to making safe and secure products by responsibly managing each process from production to sales so that we can provide high-quality products without waste and with respect for precious lives.
4 Vision for Our Human Resources	All employees of the Starzen Group proactively work to improve their knowledge, skills, and expertise in food safety and security, and to enhance each other's knowledge and awareness, as the Starzen Group seeks to become a team of professionals who handle food products.



SQF certification

With "customer first" as a motto, the Starzen Group focuses first and foremost on making safe and secure products.

To achieve this, in addition to encouraging our applicable business sites to obtain SQF international food safety and quality standards under the Hazard Analysis and Critical Control Point (HACCP) system, we are encouraging even our allied livestock producers in the breeding and fattening business to obtain the certification.

Through this approach, we are working to build an integrated quality assurance system, spanning from

upstream to downstream meat distribution, and further increase the quality of raw meat, as well as promoting the first initiative in Japan to unify management spanning from production to distribution under SQF.

In addition, with the aim of fostering a culture of food safety and instilling awareness of hygiene management in each and every employee, the Quality Assurance Division, which operates under the direct control of President & CEO, regularly provides guidance to Quality Control Managers at each site. We also utilize the SQF system in these activities.

Integrated management structure under SQF spanning all processes from production to distribution

SQF certification obtained at 57 Group locations in Japan

Integrated management under SQF from production (farms) to distribution (business offices)

Breeding and Fattening

Processing and Production

Distribution

Farms: 1 location

Domestic plants: 20 locations

Domestic business offices: 36 locations

Hygiene guidance for Group offices

Since fiscal 2024, we have introduced a ranking system to evaluate quality control systems at all sales branches.

Annually, we conduct an evaluation of each sales site on a three-point scale (A, B, C) and provide hygiene guidance according to the results.

We also conduct unannounced hygiene inspections at individual business locations, including our plants which undergo annual inspections, in accordance with international certification requirements for unannounced audits.

Unlike an advance notice audit, this check is conducted with the aim of improving everyday hygiene levels.



Hygiene inspection

Development of human resources in quality control

We promote human resource development by conducting training programs and distributing educational videos to raise the group-wide quality control level.

We hold online training for quality control personnel at business offices nationwide on important topics related to food safety, such as food labeling and temperature control.

In addition, we provide tailored training to quality control personnel at our plants based on their career stage.

We also provide classroom training and on-the-job training not only for young employees and transferees but also for mid-career hires for the development of next-generation human resources.



Chapter

06

Foundation Supporting Sustainable Growth

Aiming for sustainable management and gaining trust through strengthened governance

The Starzen Group has strengthened its corporate governance with the aim of achieving sustainable growth and enhanced corporate value while fulfilling its responsibility to its stakeholders.

Going forward, we will continue working to further enhance our governance through transparent, fair, and swift decision making.

/47 Corporate Governance

/52 Compliance

/53 Risk Management

/54 Directors





Corporate Governance

Corporate Governance

Starzen continues to work on strengthening its corporate governance in order to achieve sustainable growth and enhanced corporate value over the medium to long term while fulfilling its social responsibilities to shareholders and all other stakeholders, including customers, suppliers, debtholders, local communities, and employees.

The Company will continue its effort to further enhance its effective corporate governance system in accordance with Japan's Corporate Governance Code. Bydoing so, it aims to strike a proper balance between management oversight functions and business execution, while ensuring decisions are made with transparency, fairness, and promptness.

Corporate governance structure

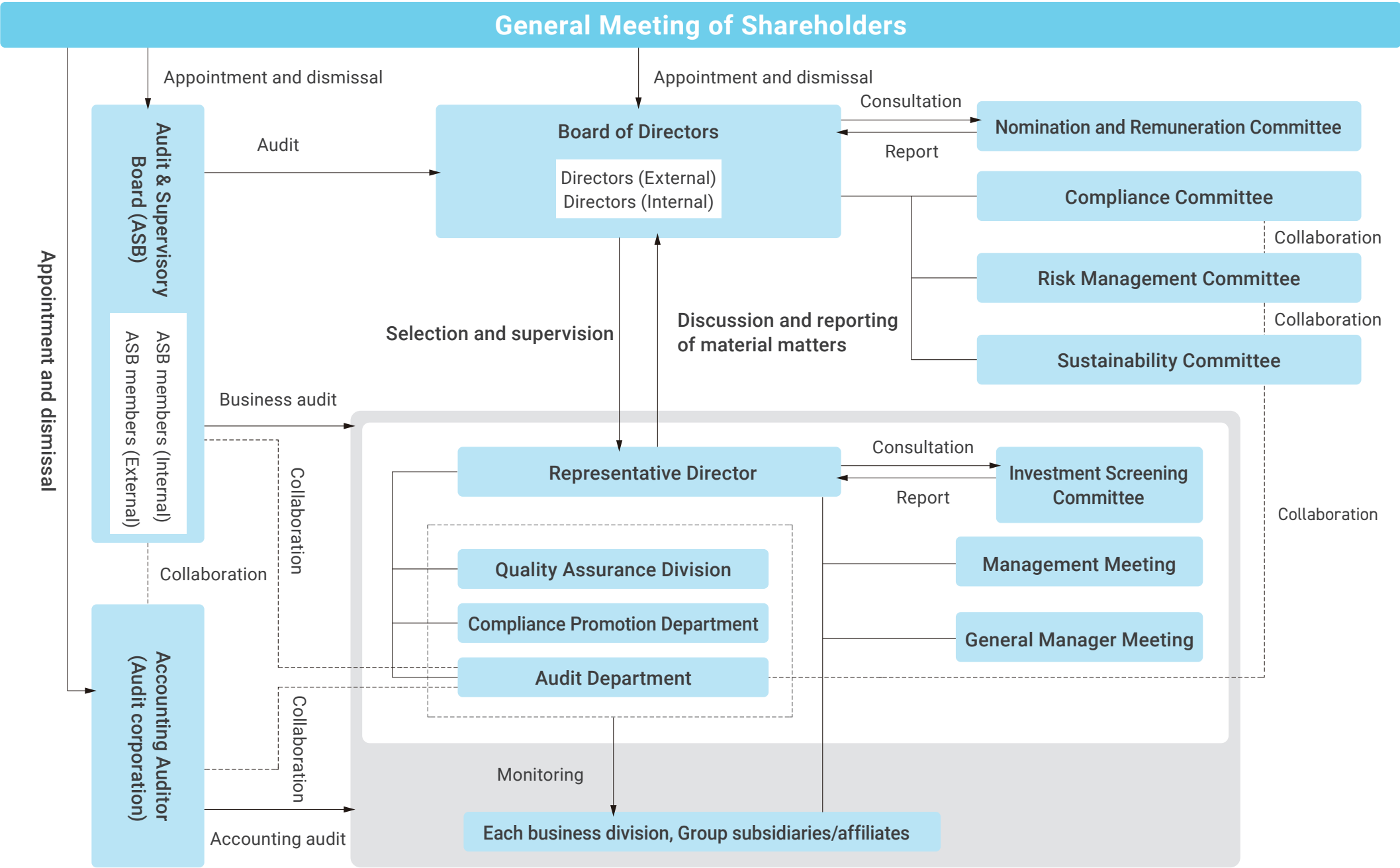
The Company adopts the governance structure of a Company with an Audit and Supervisory Board. The Board of Directors makes important decisions pertaining to management and oversees the execution of business, while the Audit & Supervisory Board and Audit & Supervisory Board members independent from the Board of Directors audit the execution of duties by the Board of Directors and other matters.

To facilitate swift decision-making related to the execution of business, the Company has adopted the executive officer system where management-level decision-making is separated from oversight and business execution.

Furthermore, to complement and enhance governance functions, the Company's Management Meeting and General Manager Meeting convene monthly to discuss and share essential matters, and the Company has also established the Nomination and Remuneration Committee as an advisory committee to the Board of Directors, as well as the Investment Screening Committee as an advisory body to the Representative Director.

Organizational structure	Company with an Audit and Supervisory Board
Number of directors	9
Of which, number of external directors	4
Director's term of office under Articles of Incorporation	1 year
Number of Audit & Supervisory Board members	4
Of which, number of external Audit & Supervisory Board members	2
Accounting auditor	Ernst & Young ShinNihon LLC

Corporate governance structure (As of March 31, 2025)





Corporate Governance

Corporate Governance

Explanation of structure and instructional design

Board of Directors and directors

Role of the Board of Directors

The Board of Directors formulates business strategies and plans and is also responsible for important management decision-making and the supervision of business execution as required by laws and regulations, the Articles of Incorporation, and Company rules.

Overall composition

The Board of Directors comprises a maximum of 20 directors, in accordance with the Articles of Incorporation. Directors are required to possess a wide range of knowledge, experience, and skills, and they are appointed from among candidates capable of fulfilling the responsibilities required of directors.

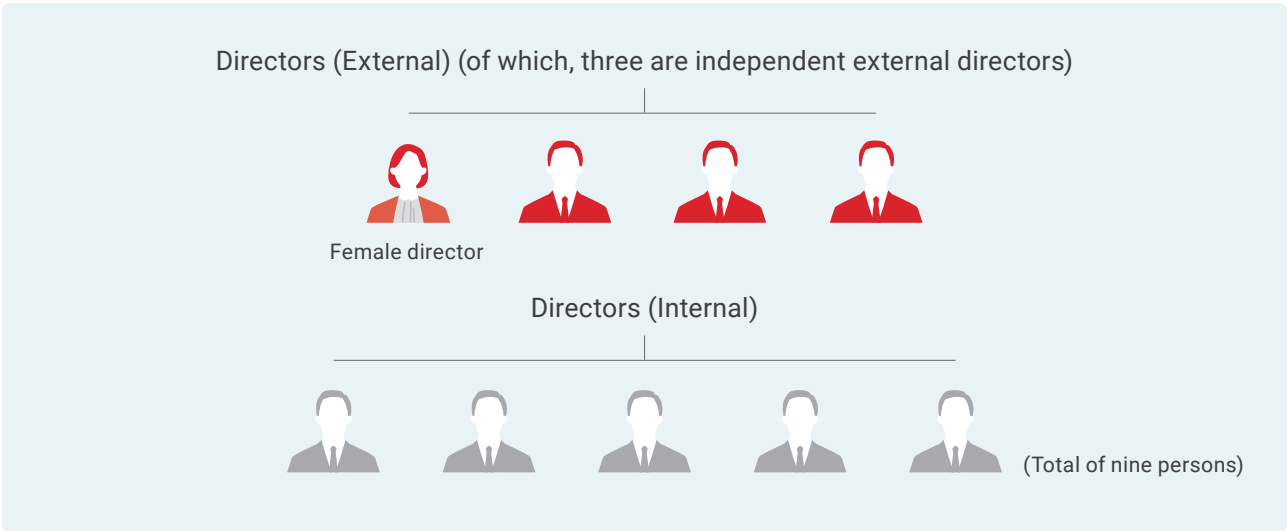
The Company appoints multiple external directors and selects independent external directors to comply with the provisions of Japan's Corporate Governance Code.

Role of external directors

External directors participate in important decision-making by the Board of Directors and monitor the decision-making process. They also offer advice based on their own experience and insight regarding reports on management progress at Board meetings.

In particular, independent external directors, using their independent standpoint, ensure that there are no conflicts of interest between the Company's management and its shareholders. At the same time, they monitor the Company's management to protect the rights of shareholders and ensure that profits are shared with them.

Composition as of June 27, 2025



Skills matrix for directors (expertise, knowledge, experience, etc.)

Position	Name	Corporate management					
		Corporate management	Sales and marketing	Production	Global business	Finance and accounting	Legal affairs and risk management
Director	Internal	Kazuhiko Yokota	○	○	○		
		Masao Uzurahashi	○	○		○	
		Masamichi Takahashi	○		○		
		Tsunehiro Sana				○	○
		Ryoichi Takahama		○	○		
	External	Wataru Ohara	○			○	○
		Kaku Yoshisato	○			○	
		Mariko Eto					○
		Shingo Ogoshi				○	

Note: The above list does not represent all of the knowledge possessed by each director.

Audit & Supervisory Board and Audit & Supervisory Board Members

Role of the Audit & Supervisory Board and its members

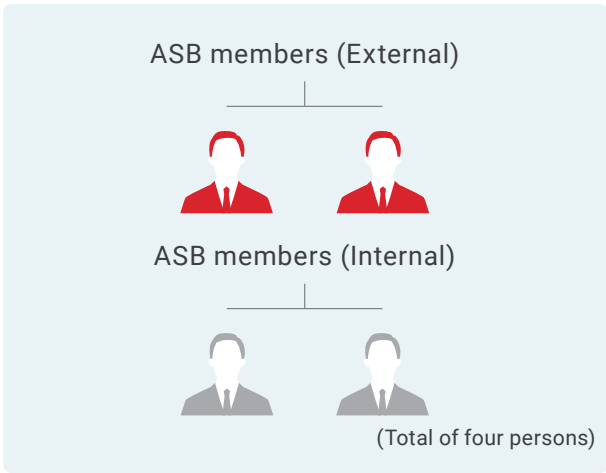
Assuming responsibility on behalf of the shareholders, the Audit & Supervisory Board functions as an institution independent from the Board of Directors. In such capacity, the Audit & Supervisory Board has the statutory authority to request business reports from the Company or its subsidiaries. In addition, through audits of business and financial performance and the appointment and dismissal of accounting auditors, the Audit & Supervisory Board audits the execution of duties by the Board of Directors, as well as the internal control system, performance, and financial positions of the Company and its subsidiaries.

The Company endeavors to provide sufficient staffing to ensure effective oversight by Audit and Supervisory Board members.

Audit & Supervisory Board members include individuals with appropriate expertise in finance and accounting. Members are limited by the Articles of Incorporation to a maximum of six.

At least half of the members must be external members.

Composition as aof June 27, 2025





Corporate Governance

Corporate Governance

Nomination and Remuneration Committee

Roles

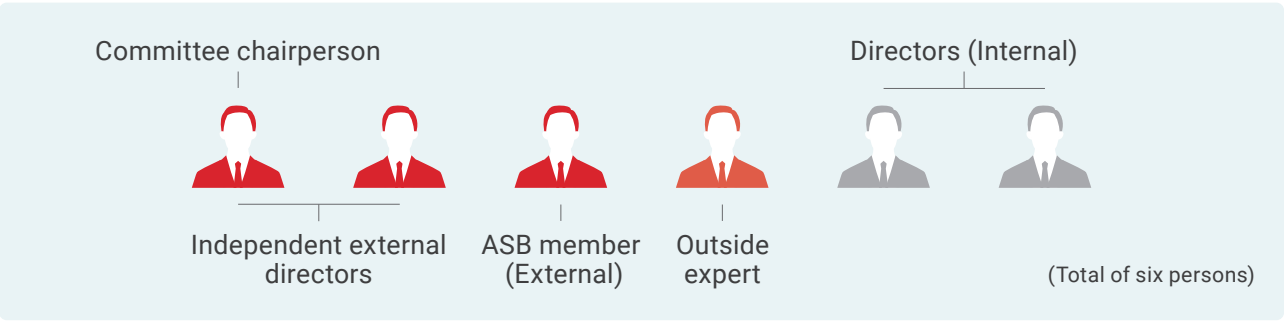
Serving as an advisory body for the Board of Directors, the Nomination and Remuneration Committee deliberates and reports to the Board of Directors regarding the following matters.

- 1 Appointment and dismissal of directors and executive officers, and management succession plans
- 2 Remuneration systems for directors and executive officers
- 3 Appointment, dismissal, and remuneration of corporate advisors and counselors if appointed after the retirement of the Representative Director and President & CEO

Overall composition

The Nomination and Remuneration Committee is chaired by an external member. As a general rule, the Nomination and Remuneration Committee is made up of a majority of external members in order to ensure the independence of the committee itself.

Composition as of June 27, 2025



Compliance Committee

Roles, etc.

The Compliance Committee was established in order to establish a compliance structure at the Group. In principle, it meets four times per year.

The committee deliberates on the details of the compliance program defining the establishment of the compliance structure, confirms the program's implementation, and submits its findings and recommendations to the Board of Directors.

Composition

The Compliance Committee is chaired by the Representative Director and President & CEO and comprises two external officers as external members, four internal directors and three executive officers as internal members, and two full-time Audit & Supervisory Board members who act as observers.



Risk Management Committee

Roles, etc.

The Risk Management Committee was established in order to examine and assess various risks facing the entire Group. In principle, it meets four times per year.

The Risk Management Committee assesses and analyzes all types of risk in terms of the expected scale of damages and frequency of occurrence. Based on this, the committee examines measures for improving response levels across the Group and submits its findings to the Board of Directors.

Composition

The Risk Management Committee is chaired by the director in charge of the Corporate Division and comprises two external officers as external members, three internal directors and four executive officers as internal members, and two full-time Audit & Supervisory Board members who act as observers.

Sustainability Committee

Roles, etc.

The Sustainability Committee was established to promote sustainability management. In principle, it meets four times per year.

The committee deliberates on the status of reviews on policies for sustainability management covering the entire Group and the progress of actual measures and submits its findings and recommendations to the Board of Directors.

Composition

The Sustainability Committee is chaired by the director in charge of the Corporate Division and comprises two external officers as external members, three internal directors, two general managers, and two full-time Audit & Supervisory Board members who act as observers.

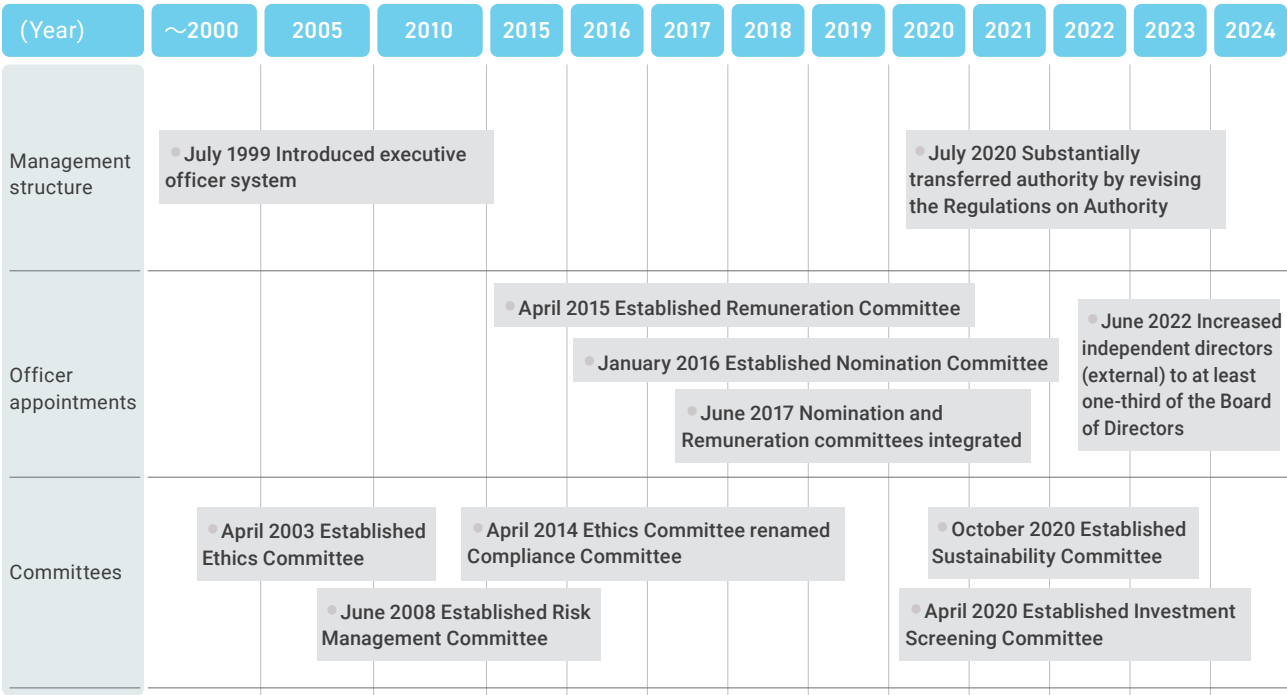
*The composition of each committee is current as of June 27, 2025.



Corporate Governance

Corporate Governance

Strengthening of corporate governance structure



In addition to the Nomination and Remuneration Committee, external officers joined the Compliance Committee, the Risk Management Committee, and the Sustainability Committee as external members in April 2023, and with a Compliance Promotion Department that reports directly to the president newly established in February 2024, governance functions have been further strengthened.

We will strive to further strengthen corporate governance by fulfilling the items listed below.

Revitalization of the Board of Directors	• Ensure thorough prior review by the Investment Screening Committee, promote understanding of agenda items through prior explanation to external officers • Provide more opportunities for external officers to understand operations, such as on-site visits.
Strengthening of risk management and internal control	• Identify and share risk governance situations. • Strengthen on-site accounting operations and improve effectiveness of checks and balances. • Strengthen collaboration with committees.
Enhanced Group governance	• Promote collaboration between the Board of Directors and each committee • Establish mechanism for sharing information between the Corporate Division and departments in charge of subsidiaries/associates.

Evaluation of effectiveness

Evaluation of Board of Directors' effectiveness

In accordance with the Basic Policy on Corporate Governance, the Company annually analyzes and evaluates the efficiency of Board of Directors' meetings and the effectiveness and feasibility of Board decisions through self-checks in order to ensure effective decision-making by the Board.

The method and results of these evaluations in fiscal 2024 are as follows.

Evaluation method

The Company held a survey of directors and Audit & Supervisory Board members. Based on survey answers, an analysis and evaluation of the effectiveness of the Board of Directors was conducted. In addition, issues to be addressed going forward were identified and reported to the Board of Directors.

Questions

- 1

Composition of the Board of Directors
- 2

Operational Status of the Board of Directors
- 3

Support structure for external directors
- 4

Roles and expectations for Audit & Supervisory Board members
- 5

Relationship with shareholders and other investors
- 6

Training
- 7

General structure and overall effectiveness of the Board of Directors
- 8

Others

Evaluation results

The results of the survey conducted in June 2025 indicated that the Board of Directors engaged in active discussions through supplementary briefings and follow-up support on important agenda items, as well as through visits to sales teams, among other accomplishments. As such, it has been determined that the effectiveness of the Board of Directors has been ensured in general.

On the other hand, it was pointed out that in terms of (3) Support structure for external directors and (6) Training in the questions above, there is room for improvement.

The Company has already started to make efforts in response to these findings and is working to further increase the effectiveness of the Board of Directors.



Corporate Governance

Corporate Governance

Officer remuneration

Remuneration for directors and executive officers

Fundamental policy

The Company determines directors’ and executive officers’ remuneration according to the following basic policy.

- 1 Ensure the transparency, fairness, and objectivity of officer remuneration.
- 2 Design a remuneration scheme that incentivizes improvement in operating performance.
- 3 When setting individual remuneration amounts, determine the appropriateness in light of remuneration levels at suitably comparable companies. Also take into account the Company’s other officers’ and employees’ muneration level.

Determination process

The Nomination and Remuneration Committee deliberates on the remuneration scheme for directors and executive officers, discusses methods of setting their individual remuneration, and reports to the Board of Directors.

Remuneration for each director is determined by the Board of Directors within the total amount of remuneration approved in advance by the General Meeting of Shareholders.

When approving remuneration, the Board of Directors emphasizes a decision-making process that is transparent, fair, and objective, respecting the reports by the Nomination and Remuneration Committee.

A resolution on the remuneration amount for each executive officer is reached by the Board of Directors, emphasizing a decision-making process that is transparent, fair, and objective, and that respects the reports by the Nomination and Remuneration Committee.

Remuneration for directors and executive officers

The remuneration for internal directors and executive officers consists of base remuneration, performance-based remuneration, and stock remuneration with limited transferability, the last of which is intended to incentivize its recipients to pursue sustained growth in the Company’s corporate value. Remuneration for external directors consists solely of a fixed amount.

Base remuneration

+

Performance-based
remuneration

+

Stock remuneration with
limited transferability

Remuneration for Audit & Supervisory Board members

Remuneration for Audit & Supervisory Board members consists solely of a fixed amount. Remuneration for individual Audit & Supervisory Board members is determined by the Board and kept within limits of a resolution reached in advance by the General Meeting of Shareholders.

Total remuneration paid in fiscal 2024

Classification	Number of recipients	Total amount by remuneration type, etc. (Millions of yen)			Total (Millions of yen)
		Base remuneration	Performance-based remuneration	Stock remuneration	
Directors (of which, external directors)	10 (4)	136 (20)	99 –	39 –	275 (20)
Audit & Supervisory Board members (of which, external Audit & Supervisory Board members)	6 (4)	48 (16)	– –	– –	48 (16)
Total	16	185	99	39	324

Notes: One unremunerated director is not included in the table above.
Notes: The number of recipients and total amount of remuneration, etc., above include two directors (of which one external director) and two external Audit & Supervisory Board members who left their positions at the conclusion of the 85th General Meeting of Shareholders held on June 27, 2024. Of these, Mr. Ryuso Sadanobu, who was appointed as an Audit & Supervisory Board member after leaving his position as a director at the conclusion of this General Meeting of Shareholders, is counted separately as a director and as an Audit & Supervisory Board member for the periods he served in those respective roles. His remuneration for each role is included in their respective totals. The same applies to Mr. Shingo Ogoshi, who was appointed as an external director after leaving his position as an external Audit & Supervisory Board member at the conclusion of this General Meeting of Shareholders.

Cross-shareholdings

The Company may hold equity stakes in business partners only when it deems such investments to be conducive to medium- to long-term growth in the Starzen Group’s corporate value by, for example, helping to build stable, long-term relationships with such business partners or strengthen existing relationships through business alliances.

The Company assesses whether cross-shareholdings are owned for appropriate objectives and whether the benefits and risks of owning them are commensurate with its cost of capital. The Board of Directors checks this during its first meeting of every fiscal year and discloses the results.

Based on the review, the Company will move to reduce its equity stake in companies for which it determines ownership is of limited value.





Compliance

Compliance

Basic policy

The Starzen Group places its Management Philosophy and Brand Vision at the root of its corporate activities and undertakes activities to ensure widespread understanding of these principles in order to help all employees of the Group to take action based on them.

It has also defined a Code of Conduct and Guidelines for Conduct and is working to foster impeccable ethics in order to gain the trust of business partners and stakeholders.

At the same time, we undertake organized and ongoing compliance activities, having instituted the Compliance Regulations, Fundamental Policy on Sustainability, Fundamental Policy on Human Rights, Fundamental Policy on Industrial Safety and Health, and Fundamental Policy on the Environment.

Compliance promotion system

We established the Compliance Committee, which meets regularly every year, as an advisory body to the Board of Directors, with the purpose of increasing social trust and establishing a spirit of compliance within the Group.

General managers and presidents of subsidiaries/ associates, who serve as compliance officers, are responsible for administering our compliance program based on deliberations of the Compliance Committee. Compliance managers, serving under compliance officers, operate the compliance program appropriately.

In case of a compliance violation or possible violation, information is shared immediately according to the reporting line of manager, officer, and then the Compliance Promotion Department at Headquarters. Serious incidents are reported to the Compliance Committee and the Board of Directors to make improvements to the compliance promotion system and compliance program operations.

When an incident of fraud came to light in 2023, we immediately responded by setting up an internal investigative committee and also set up a special investigative committee composed of experts, including lawyers and certified public accountants.

To address the situation, we are also cooperating with the Audit Department to further strengthen compliance.



Compliance Committee



Main initiatives and matters for consideration in fiscal 2024

- With regard to past incidents of fraud, we implemented rank-based compliance training in order to provide an overview and deepen understanding of measures to prevent recurrence.
- We promote mutual trust with employees and build relationships of trust through regular one-on-one meetings held semiannually and compliance week held once a year.
- In order to ensure thorough compliance management, the Compliance Committee met four times over the course of the year with the Compliance Promotion Department (newly established in February 2024) as the secretariat.

Support Desk

We have established a Compliance Support Desk (with a Whistleblower Hotline), available at all times to all officers and employees as outlined below, to achieve an open workplace environment, improve self-regulatory functions for preventing compliance violations, and facilitate the early detection and prompt correction of issues.

And to enhance and expand the system, we have also established a dedicated whistleblower hotline to receive reports and consultations from our business partners.

Support desks

Example concern	Contact point
Workplace issue Harassment	Compliance Support Desk (external: specialist service provider)
	Internal Support Desk (Compliance Promotion Department)
Suspected violation of law	Whistleblower Hotline (external: law office)
	Whistleblower hotline for business partners (external: specialist service provider)



Risk Management

Risk Management

Basic policy

The Starzen Group ensures its business continuity and stable growth by dealing precisely and promptly with the various risks it faces, including economic loss, business interruption or suspension, and loss of trust or damage to brand image. These risks could potentially impede achievement of our Management Philosophy, Management Targets, and management strategy.

Risk management system

To avoid operating risks and minimize damages should they materialize, we have established Risk Management Regulations and a Risk Management Committee, which deliberates on the issues and countermeasures related to group-wide risk management and promotion.

Risk category	Anticipated risk events
Compliance	• Violation of laws and regulations, or internal rules • Errors in financial reports or disclosure of erroneous information • Address problem facing logistics industry
Food safety	• Contamination, shipment of defective products, health damages • Recalls (recall cost and reputational damage, etc.) • Improper/falsified labeling
Stable procurement of meat	• Outbreak of livestock/poultry disease causing production shutdown • Operating delays, labor strikes at ports, or customs clearance problems • Rising costs due to soaring electricity, fuel, and feed prices along with personnel costs
Fluctuating meat prices	• Decline of profitability due to negative spread between purchase price and selling price • Profitability squeezed by rising surplus inventory and existing inventory • Impact of import/export tariffs
Overseas business/export transactions	• Damage claims due to contract violation • Unrecoverable debt from business partners • Geopolitical instability
SDGs/ESG	• Lack of initiatives to reduce greenhouse gas (GHG) emissions • Distrust from investors and reduced corporate value due to disclosure insufficiencies • Insufficient efforts to ensure animal welfare
Information security	• Information leakage (insider, confidential, customer, personal information, etc.) • Cyberattack or computer virus • System failure (network or power source)
Human resources and labor matters	• Worker shortages due to depopulation or aging population • Exodus of talent due to declining appeal of the Company or job duties

Monitoring

The Risk Management Committee reviews the Group's risk management policy, system, and countermeasures. It also analyzes risks that have emerged and reviews risk assessments quarterly to examine and evaluate measures to prevent these risks and their recurrence. The committee's risk assessment results are reported to the Board of Directors.

Measures
• Spread messages from top management, expand employee training, coach frontline staff, utilize support desks • Strengthen internal controls, implement personnel rotations, conduct internal audits • Streamline logistics operations, restructure logistics bases
• Enhance quality control and quality assurance system • Maintain quality control level utilizing external certification regime (SQF) • Share information more swiftly, periodically review product standards (including raw materials)
• Diversify suppliers for stable supply, strengthen collaborative systems with partner farms • Gather information on import destinations, diversify suppliers (meatpackers and livestock production sites) • Implement energy-saving measures through the visualization of energy consumption, invest in facilities with high energy-saving effects
• Monitor appropriate inventory levels • Improve management of products bought and sold on a net basis • Expand sales of added-value products such as brand meats and processed foods, etc.
• Clearly stipulate quality and other standards in contracts • Utilize external information and trade credit insurance, regularly review credit • Introduce stricter payment terms
• Strengthen initiatives to reduce GHG emissions by the Sustainability Committee and the GHG Reduction Committee • Disclose proactively and appropriately • Regularly gather information from relevant organizations, repair facilities, train employees
• Conduct security training for employees, establish, disseminate, and enforce regulations • Continue to strengthen information systems and security, establish a crisis management system • Execute contracts with multiple network companies, carry out training for changing over to backup equipment
• Establish Human Resources Committee and promote mechanization and labor savings • Create attractive workplaces (internal branding activities, internal recruitment system, course-specific systems, etc.) • Recruit, retain, and utilize diverse human resources



Directors

Directors



Kazuhiko Yokota

Representative Director,
President & CEO

1986 Apr. Joined Zenchiku Co., Ltd. (currently, Starzen Co., Ltd.)
2013 Apr. Executive Officer, Starzen Co., Ltd.
2015 Apr. Managing Executive Officer
2016 Jun. Director
2018 Apr. Managing Director
2020 Apr. Senior Managing Director
2021 Apr. Representative Director, President & CEO (current position)

Reasons for appointment

Mr. Kazuhiko Yokota has many years of experience as an officer of the Company and the Starzen Group companies. He has been responsible for the overall management of the Group as Representative Director, President & CEO. He leads the Group with leadership based on his extensive knowledge and experience. Mr. Yokota was reappointed as Representative Director because he is indispensable for facilitating group management and further increasing the corporate value.



Masao Uzurahashi

Managing Director

2008 Sep. Joined Zenchiku Co., Ltd. (currently, Starzen Co., Ltd.)
2014 Apr. Director, General Manager of Broad Area Sales Department, Starzen Broad Area Sales Co., Ltd.
2015 Apr. Managing Director, Starzen International Co., Ltd.
2016 Apr. Executive Officer, Starzen Co., Ltd.
2017 Jun. Executive Vice President, Starzen International Co., Ltd. Director, Starzen Co., Ltd.
2018 Apr. President & CEO, Starzen International Co., Ltd.(current position)
2021 Apr. Managing Director, Starzen Co., Ltd. (current position)

Supervisor of Sales Division, Overseas Division, and McDonald's Division

Reasons for appointment

Mr. Masao Uzurahashi has held key positions in the Starzen Group's overseas business division and currently serves as Managing Director, overseeing the Group's international operations, import and export activities and sales. In light of the growing global demand for meat, Mr. Uzurahashi has been reappointed as Managing Director in recognition of his indispensable role in further strengthening our overseas transactions and contributing to the enhancement of corporate value.



Masamichi Takahashi

Managing Director

1986 Apr. Joined Zenchiku Co., Ltd. (currently, Starzen Co., Ltd.)
2010 Apr. Director, STARZEN MEAT PROCESSOR Co., Ltd.
2016 Apr. Managing Director, Plant Manager of Aomori Plant
2017 Apr. Executive Officer, Starzen Co., Ltd.
2018 Apr. Senior Managing Director, STARZEN MEAT PROCESSOR Co., Ltd.
2019 Jun. Director, Starzen Co., Ltd.
2020 Apr. President & CEO, STARZEN MEAT PROCESSOR Co., Ltd.
2023 Apr. Managing Director, Starzen Co., Ltd. (current position)

Supervisor of Production Division and STARZEN MEAT PROCESSOR Co., Ltd.

Reasons for appointment

Mr. Masamichi Takahashi is responsible for overall related farms and meat processing and the supply of processed food in the Starzen Group as Managing Director. He was reappointed as Managing Director because he is indispensable for the Company's aim of further enhancing corporate value using his many years of experience in his field.



Tsunehiro Sana

Director

1985 Apr. Joined The Mitsubishi Bank, Ltd. (currently, MUFG Bank, Ltd.)
2013 Jan. General Manager of Kamakura Branch, MUFG Bank, Ltd.
2015 Nov. Joined Zenchiku Co., Ltd. (currently, Starzen Co., Ltd.) General Manager of Group Human Resources Department, Planning and Administrative Division
2017 Oct. General Manager of Planning and Administrative Division
2020 Apr. Executive Officer, Administrative Division
2022 Jun. Director (current position)

Supervisor of Finance and Group Controller Division and Administrative Division

Reasons for appointment

Since joining the Company, Mr. Tsunehiro Sana has held key positions, including General Manager of Human Resources Department and Administrative Division. He currently oversees the Group's Finance and Accounting Division and Administrative Division. With his extensive knowledge and experience, he plays a vital role in strengthening our corporate governance. Mr. Sana was appointed as Director in recognition of his indispensable contribution to enhancing corporate value.



Ryoichi Takahama

Director

1988 Apr. Joined Zenchiku Co., Ltd. (currently, Starzen Co., Ltd.)
2018 Apr. Executive Officer, Starzen Co., Ltd.
2019 Apr. Managing Director, General Manager of Sales Management Division, Starzen Sales Co., Ltd.
2019 Jun. Director, Deputy General Manager of Sales Division, Starzen Co., Ltd.
2021 Apr. Director, General Manager of Logistics Division
2023 Oct. Senior Executive Officer, General Manager of Corporate Division
2024 Jun. Director (current position)

Supervisor of Corporate Division, IT & Communication Division, and Logistics Division

Reasons for appointment

Mr. Takahama has held key positions in the sales and logistics sectors, and is currently responsible for formulating and promoting the Group's management strategy and plans, as well as overseeing the IT & communications fields and logistics. He was appointed as Director in recognition of his indispensable role in enhancing corporate value, based on his many years of experience in these areas.



Wataru Ohara

Director (External)

1975 Apr. Joined The Mitsui Bank Limited (currently, Sumitomo Mitsui Banking Corporation)
2010 Jun. Representative Director and Executive Vice President, {MQ} Sumitomo Mitsui Financial Group, Inc.
2013 Apr. Representative Director and CEO, Teisoh Co., Ltd. (currently, Teikoku-Soko Co., Ltd.)
2017 Apr. Director (External), Starzen Co., Ltd. (current position)
2020 Apr. Representative Director, Chairman, Teikoku-Soko Co., Ltd.
2021 Apr. Chairman, Teikoku-Soko Co., Ltd.
2023 Apr. Senior Advisor, Teikoku-Soko Co., Ltd. (current position)

Reasons for appointment

Mr. Ohara has many years of experience as a senior executive of both a financial institution and a non-financial company. He possesses extensive experience in and keen insight into all aspects of corporate management. The Company reappointed him as an external director to benefit from his oversight of the Starzen Group's decision-making processes and ability to offer appropriate advice from the standpoint of shareholders' common interests.



Kaku Yoshisato

Director (External)

1991 Apr. Joined Mitsui & Co., Ltd.
2019 Apr. General Manager of Oils & Fats, Staple Food Project Division, Food Business Unit, Mitsui & Co., Ltd.
2020 Jun. Director (External), Starzen Co., Ltd. (current position)
2021 Apr. General Manager, Livestock & Fisheries Project Division, Food Business Unit, Mitsui & Co., Ltd.
2024 Apr. Director, Deputy General Manager of Food Business Unit, Mitsui & Co., Ltd. (current position)
2024 Jun. Director (External), FEED ONE Co., Ltd. (current position)
2024 Jun. Director (External), J-OIL MILLS, Inc. (current position)

Reasons for appointment

Mr. Yoshisato has served in a number of key positions at Mitsui & Co., Ltd. He possesses keen insight and an extensive network in the food industry. The Company reappointed him as an external director to benefit from his oversight of the Starzen Group's decision-making processes and ability to offer appropriate advice from the standpoint of shareholders' common interests.



Mariko Eto

Director (External)

1994 Apr. Joined Mitsui & Co., Ltd.
2002 Apr. Enrolled in Legal Training and Research Institute of Japan
2003 Oct. Registered as attorney with Daini Tokyo Bar Association
Joined New Tokyo International Law Office
2015 Apr. Joined TMI Associates
2017 Jan. Partner, TMI Associates (current position)
2020 Jun. Audit & Supervisory Board Member (External), Starzen Co., Ltd.
2022 Jun. Director (External), Starzen Co., Ltd. (current position)
2022 Jun. Outside Audit & Supervisory Board Member, fundbook, Inc. (current position)
2023 Jun. Outside Director, Nitto Denko Corporation (current position)
Director (External) (Audit & Supervisory Committee Member), ASICS Corporation(current position)

Reasons for appointment

Ms. Mariko Eto was reappointed as External Director in recognition of her ability to oversee the Starzen Group's decision-making processes as an attorney with expertise in corporate law, and to provide appropriate advice to ensure the common interests of shareholders.



Shingo Ogoshi

Director (External)

2005 Apr. Joined Chuo Aoyama PwC
2007 Jul. ShinNihon LLC (currently, Ernst & Young ShinNihon LLC)
2015 Jul. Ogoshi Nobuyoshi Accounting & Tax Corporation (currently, Ogoshi Accounting & Tax Corporation)
2015 Nov. Senior Partner of Ogoshi Accounting & Tax Corporation (current position)
2016 Jun. Audit & Supervisory Board Member (External), Starzen Co., Ltd.
2024 Jun. Director (External), Starzen Co., Ltd. (current position)

Reasons for appointment

As a certified public accountant and certified tax accountant, Mr. Ogoshi possesses advanced specialist expertise in accounting and finance. He has contributed to sound and highly transparent audit operations as an external Audit & Supervisory Board member for eight years starting in June 2016. The Company has appointed him as an external director in order to utilize these experiences and insights and to benefit from his oversight of the Starzen Group's decision-making processes based on his ability to offer appropriate advice from the standpoint of shareholders' common interests.



Supervisory Board Members

Audit & Supervisory Board Members



Kouhei Kanno

Full-time Audit & Supervisory Board Member

1980 Apr. Joined the Tokai Bank, Ltd. (currently, MUFG Bank, Ltd.)
2002 Jan. Deputy General Manager of Treasury Department, UFJ Bank Ltd. (currently, MUFG Bank, Ltd.)
2010 Jul. General Manager of General Affairs Department, Tokyo Bubuniku Meat Center Co., Ltd. (currently, Starzen Logistics Co., Ltd.)
2016 Apr. General Manager of Planning and Administrative Division, Starzen Co., Ltd.
2020 Jun. Full-time Audit & Supervisory Board Member (current position)

Reasons for appointment

Mr. Kanno has advanced knowledge of corporate finance based on his many years of experience at a financial institution. He has also accumulated extensive experience at the Company, having served in important positions in the Administrative Division. The Company reappointed Mr. Kanno as an Audit & Supervisory Board member because he can utilize this experience and knowledge to increase the soundness and transparency of the Company's audit operations.



Ryuso Sadanobu

Full-time Audit & Supervisory Board Member

1981 Apr. Joined The Mitsui Bank Limited (currently, Sumitomo Mitsui Banking Corporation)
2006 Dec. Senior Vice President, Head Office, Sumitomo Mitsui Banking Corporation
2008 Jun. Joined Starzen Co., Ltd.
2013 Apr. Executive Officer, General Manager of Finance Department
2015 Apr. Executive Officer, General Manager of Finance and Accounting Division
2021 Jun. Director
2024 Jun. Full-time Audit & Supervisory Board Member (current position)

Reasons for appointment

Mr. Sadanobu, who is responsible for the Group's Finance and Accounting Division, having served previously in key positions in finance and accounting, has served as a director of the Company for three years starting in June 2021. Because he has many years of experience and knowledge in financial institutions and will be able to contribute to improving the effectiveness of the Company's audit operations, the Company has appointed him as an Audit & Supervisory Board member.



Toshiaki Tada

Audit & Supervisory Board Member (External)

1996 Apr. Registered as Attorney
1996 Dec. Joined Hibiya Sogo Law Offices
2001 Jul. Weil, Gotshal & Manges Law Firm New York Office
2002 Sep. Hibiya Sogo Law Offices
2008 Jun. Audit & Supervisory Board Member (External), Denki Kagaku Kogyo Co., Ltd. (currently, Denka Company Limited)
2012 Jun. Audit & Supervisory Board Member (External), Itochu Techno-Solutions Co., Ltd.
2020 Jun. Audit & Supervisory Board Member (External), Kurita Water Industries Ltd.
2024 Jan. Representative Attorney, Hibiya Sogo Law Offices (current position)
2024 Jun. Audit & Supervisory Board Member (External), Starzen Co., Ltd. (current position)

Reasons for appointment

Mr. Tada has been active as an attorney for many years, primarily in the field of corporate law, including antitrust law and compliance, and has extensive experience and advanced specialized knowledge. Furthermore, we expect that he will utilize his extensive experience and deep insight as an auditor at other companies in auditing Starzen's management, and have therefore appointed him as an external Audit & Supervisory Board member.



Michitaro Wakayama

Audit & Supervisory Board Member (External)

2003 Oct. Joined ShinNihon LLC (currently, Ernst & Young ShinNihon LLC)
2019 Oct. Representative Director, OCS Partners Co., Ltd. (current position)
2019 Dec. Director of Wakayama Michitaro Certified Public Accountant & Tax Accountant Office (current position)
2020 Jun. Audit & Supervisory Board Member (External), Prudential Life Insurance Co., Ltd.
2023 Jun. Audit & Supervisory Board Member (External), Central General Development Co., Ltd.
2024 Jun. Audit & Supervisory Board Member (External), Starzen Co., Ltd. (current position)

Reasons for appointment

Mr. Wakayama has extensive practical experience and specialized knowledge as a certified public accountant and tax accountant. He is also actively involved in areas such as corporate management structures, governance structure improvements, and M&A support. We expect that he will utilize his extensive experience and deep insight in auditing Starzen's management from an independent standpoint, and have therefore appointed him as an external Audit & Supervisory Board member.



Chapter

07

Corporate Data

Corporate Information / Data Highlights

With the goal of deepening understanding of Starzen, this section contains quantitative corporate data centering on the main financial and non-financial indicators.

- /57 Financial Highlights / Non-Financial Highlights
- /58 11-Year Consolidated Financial Summary
- /60 Corporate Information / Investor Information



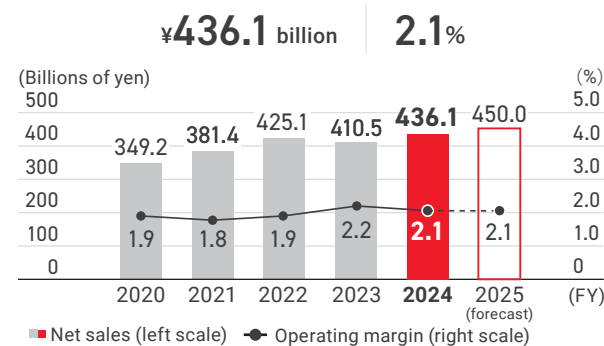


Financial Highlights / Non-Financial Highlights

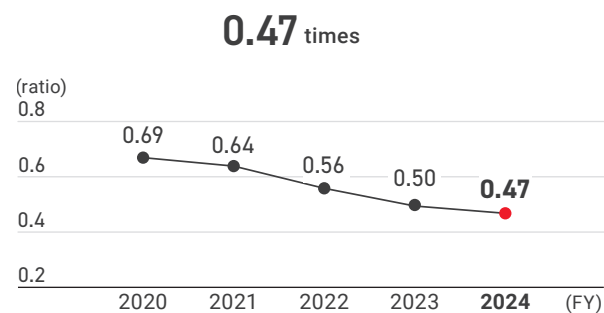
Financial Highlights / Non-Financial Highlights

Financial Highlights

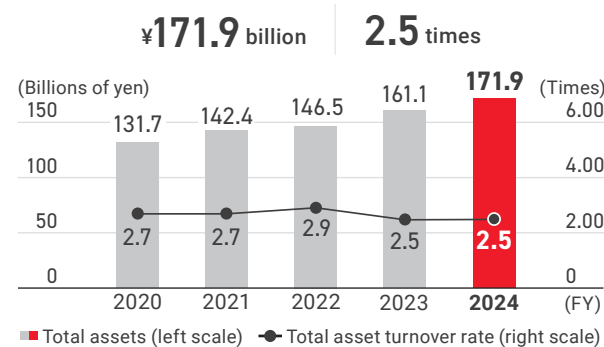
Net sales / Operating margin



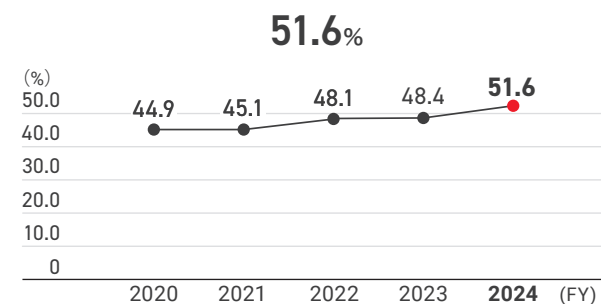
Debt-to-equity (D/E) ratio



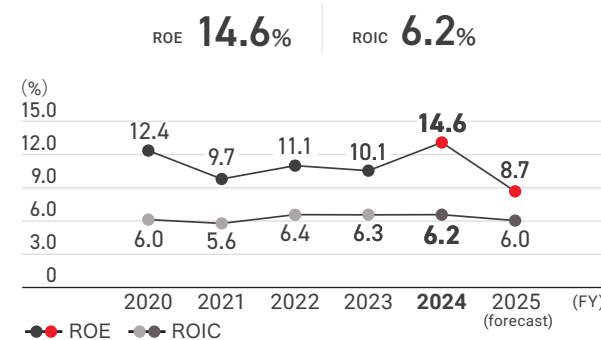
Total assets / Total asset turnover*



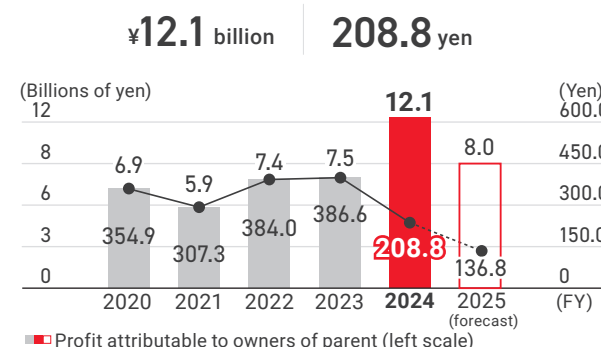
Equity ratio



ROE / ROIC



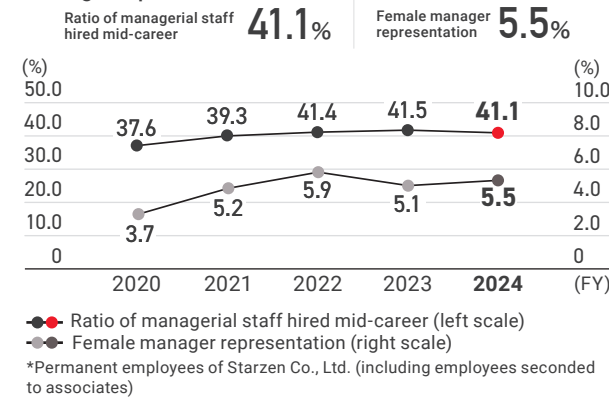
Profit attributable to owners of parent / Earnings per share



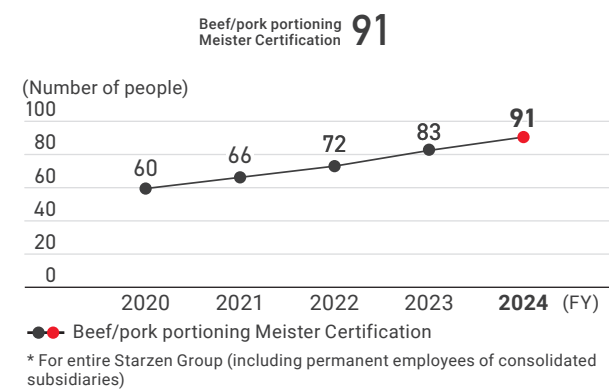
The Company split its stock three for one effective on April 1, 2025. Earnings per share are calculated assuming that the stock split was executed at the beginning of the previous consolidated fiscal year.

Non-Financial Highlights

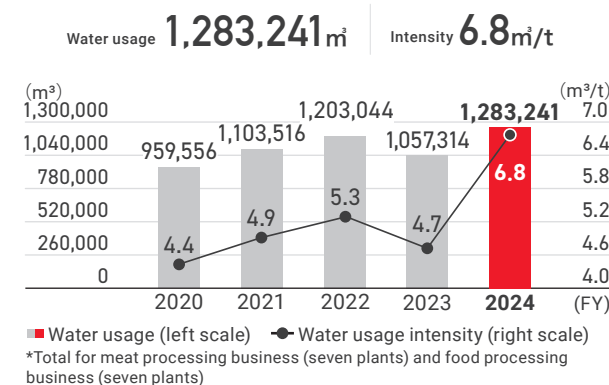
Ratio of managerial staff hired mid-career / Female manager representation



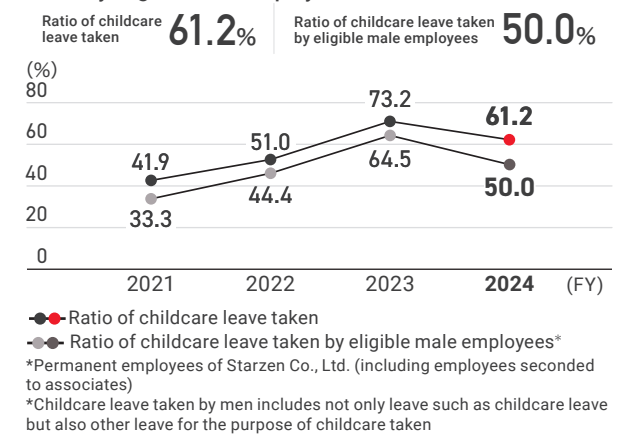
Number of employees with specialty certifications*



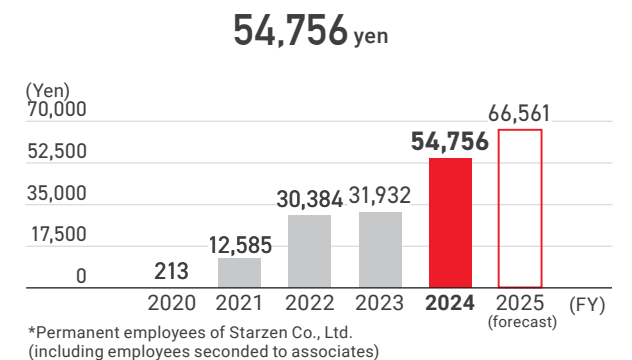
Water usage / Intensity



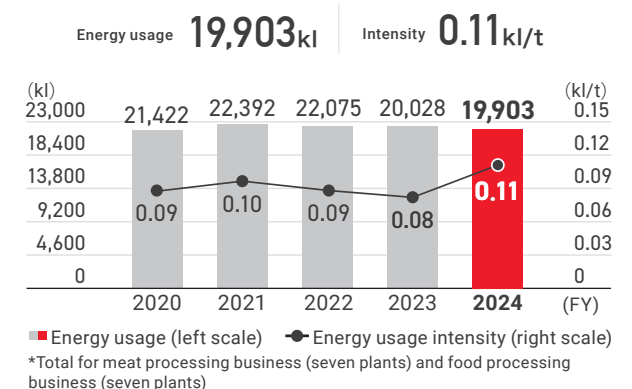
Ratio of childcare leave taken / Ratio of childcare leave taken by eligible male employees



Training costs per employee



Energy usage / Intensity





11-Year Consolidated Financial Summary

11-Year Consolidated Financial Summary

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Financial Performance (Millions of yen)											
Net sales	282,575	303,402	313,943	340,119	351,212	351,356	349,242	381,432	425,173	410,534	436,112
Cost of sales	258,166	278,462	285,468	309,525	320,639	320,089	314,880	345,981	386,603	369,658	394,230
Gross profit	24,409	24,940	28,475	30,593	30,572	31,266	34,361	35,451	38,569	40,875	41,882
Selling, general and administrative expenses	20,558	21,025	22,912	24,749	25,784	27,037	27,675	28,545	30,407	31,896	32,836
Operating income	3,850	3,914	5,562	5,844	4,788	4,229	6,686	6,905	8,162	8,978	9,046
Non-operating income	1,628	2,373	1,760	2,160	2,423	2,216	2,791	2,878	3,468	2,658	2,964
Non-operating expenses	815	726	723	734	793	650	870	617	1,346	854	1,349
Ordinary profit	4,663	5,561	6,599	7,270	6,418	5,795	8,607	9,165	10,284	10,782	10,661
Profit before income taxes	4,594	5,842	6,297	7,160	6,584	3,956	8,334	8,489	10,245	11,033	17,587
Profit attributable to owners of parent	2,833	3,796	4,578	5,120	4,565	1,743	6,921	5,984	7,483	7,512	12,197
Capital investment	3,035	2,109	2,007	3,743	4,062	2,924	3,440	3,195	3,101	6,302	8,916
Depreciation	3,009	2,744	2,650	2,433	2,615	2,809	2,765	2,949	2,916	3,040	3,315
R&D expenses	40	34	44	63	86	117	86	79	76	86	94
Cash Flows (millions of yen)											
Cash flows from operating activities	(5,893)	13,365	1,876	1,163	7,000	1,459	11,084	1,420	7,214	12,776	(2,264)
Cash flows from investing activities	(2,006)	(1,349)	(1,761)	(4,464)	(4,091)	(3,412)	(3,445)	(3,451)	(4,192)	(4,847)	613
Cash flows from financing activities	9,221	(9,636)	3,338	(2,884)	(2,713)	890	(2,001)	(1,590)	(3,169)	(2,099)	811
Free cash flow (Operating cash flows + Investing cash flows)	(7,899)	12,016	115	(3,301)	2,909	(1,952)	7,638	(2,030)	3,022	7,929	(1,651)
Cash and cash equivalents at the end of year	10,109	12,462	15,885	9,793	9,969	8,896	14,530	10,952	10,876	16,823	16,081



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Financial Condition (End of fiscal year) (Millions of yen)											
Current assets	71,398	64,816	76,875	78,583	78,674	80,232	83,568	93,572	95,482	105,236	111,416
Current liabilities	48,917	40,637	48,181	46,500	45,713	44,695	42,900	55,119	49,456	54,412	50,268
Net assets	32,829	34,914	43,327	47,885	52,244	52,310	59,125	64,001	70,175	78,001	88,747
Total assets	111,906	104,446	117,386	123,000	125,938	125,932	131,726	142,428	146,520	161,180	171,916
Total liabilities	79,076	69,532	74,059	75,115	73,693	73,621	72,600	78,426	76,344	83,179	83,168
Interest-bearing liabilities	51,933	43,303	43,647	41,701	39,290	41,605	41,020	41,180	39,533	39,331	41,911
Net worth	32,867	34,897	43,327	47,885	52,238	52,310	59,122	64,179	70,409	77,999	88,744
Per Share Information (Yen)											
Earnings*	58.95	78.75	82.20	90.41	78.67	29.82	118.30	102.46	128.01	128.88	208.87
Net assets*	683.03	722.85	767.81	841.85	893.91	893.33	1010.48	1,098.47	1,203.65	1,337.37	1,518.58
Dividends*	13.33	15.00	16.67	20.00	20.00	18.33	21.67	21.67	25.00	26.67	36.67
Main Indicators											
ROA (%)	4.5	5.1	5.9	6.0	5.2	4.6	6.7	6.7	7.1	7.0	6.4
ROE (%)	9.1	11.2	11.7	11.2	9.1	3.3	12.4	9.7	11.1	10.1	14.6
ROIC (%)	3.7	4.7	5.3	5.6	4.8	3.8	6.0	5.6	6.4	6.3	6.2
Operating margin (%)	1.4	1.3	1.8	1.7	1.4	1.2	1.9	1.8	1.9	2.2	2.1
EBITDA (Millions of yen)	6,990	6,671	8,288	8,416	7,542	7,177	9,463	9,860	11,079	12,018	12,362
Net worth/total assets (%)	29.4	33.4	36.9	38.9	41.5	41.5	44.9	45.1	48.1	48.4	51.6
Liquidity ratio (%)	146.0	159.5	159.6	169.0	172.1	179.5	194.8	169.8	193.1	193.4	221.6
Debt-to-equity (D/E) ratio (Times)	1.58	1.24	1.01	0.87	0.75	0.80	0.69	0.64	0.56	0.50	0.47

* A share consolidation was implemented on common stock with a ratio of 10 shares to one share on October 1, 2015. In addition, a share split was implemented on common stock with a ratio of one share to two shares on April 1, 2021, and with a ratio of one share to three shares on April 1, 2025. Figures have been retroactively adjusted for comparison purposes.



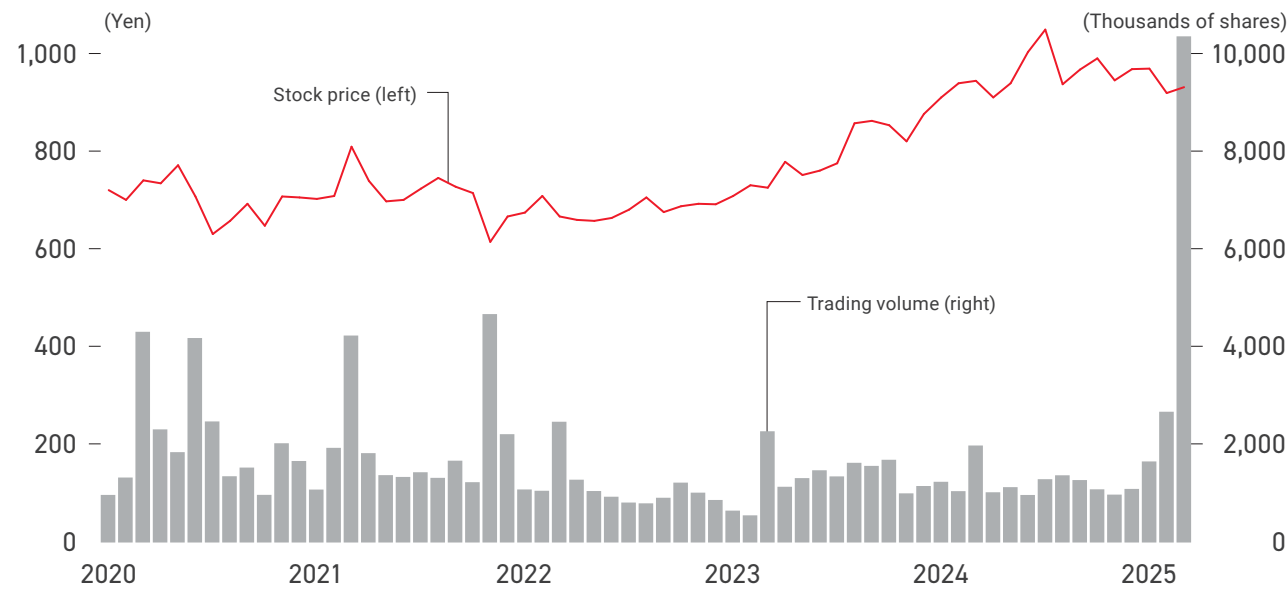
Corporate Information / Investor Information

(As of March 31, 2025)

Corporate information

Company name	Starzen Co., Ltd.
Representative	Kazuhiko Yokota
Headquarters	Starzen Shinagawa Building, 4-13 Konan, 2-chome, Minato-ku, Tokyo 108-0075, Japan
Established	June 17, 1948
Capital	¥11,658.27 million
Main businesses	1. Processing and sale of meat 2. Production, processing, and trade of livestock products 3. Import and export of meat and livestock products 4. Manufacture, processing, and trade of food products
Customers	Supermarkets, meat specialty stores, department stores, restaurants, fast food chains, convenience stores, co-operatives, food processing manufacturers, meat wholesalers, and others
Employees	2,783 (Consolidated)

Trend in stock price and trading volume



Note: The Company executed a two-for-one stock split of its common shares effective on April 1, 2021. The above graph of Starzen's stock price trends assumes that the stock split took place in January 2019.

Share Information

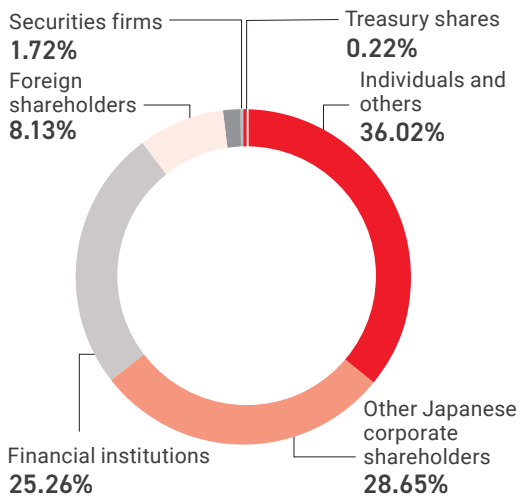
Securities code	8043
Stock exchange listing	Tokyo Stock Exchange
Fiscal year	From April 1 to March 31 of the following year
General Meeting of Shareholders	Late June each year
Administrator of shareholders' registry	1-3-3 Marunouchi, Chiyoda-ku, Tokyo 100-8241, Japan Mizuho Trust & Banking Co., Ltd.
Unit share	100
Number of shares authorized	44,000,000
Number of shares issued	19,522,552 (including 42,854 treasury shares)
Number of shareholders	19,543
Contact information	8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-8507, Japan Mizuho Trust & Banking Co., Ltd. Stock Transfer Agency Business Planning Department Toll free in Japan: 0120-288-324 (9:00 am to 5:00 pm; closed Saturdays, Sundays, and national holidays)

Major shareholders

Name of shareholder	Number of shares held (Thousands of shares)	Shareholding ratio (%)
Mitsui & Co., Ltd.	3,109	15.96
The Master Trust Bank of Japan, Ltd. (Trust account)	1,655	8.50
Custody Bank of Japan, Ltd. (Trust account)	667	3.42
Starzen Employee Shareholding Association	504	2.59
Uzurahashi Kosan Co., Ltd.	469	2.41
Sumitomo Mitsui Banking Corporation	324	1.66
Jumonji Chicken Company Ltd.	310	1.59
Yokohama Reito Co., Ltd.	306	1.57
The Norinchukin Bank	304	1.56
Taiju Life Insurance Co., Ltd.	300	1.54
Futaba Corporation	300	1.54

Notes: 1. The shareholding ratio is calculated after subtracting treasury shares from the number of shares issued and outstanding.
2. The number of shares held is rounded off to the nearest one thousand.
3. In addition, a share split with a ratio of one common share to three shares on April 1, 2025 on the basis of a resolution of the Board of Directors dated February 20, 2025. As such, the number of shares authorized increased by 88,000,000 to 132,000,000, and the number of issued shares stands at 58,567,656 (including treasury shares).

Composition of Shareholders



We would like to ask for your assistance with our INTEGRATED REPORT 2025 questionnaire. Please let us know if you have any opinions or comments, and we will take them into consideration in our work going forward.

