October 30, 2026

Company name: YOKOREI Co., Ltd.
Name of representative: Kenji Furuse,
President and Representative Director
(Securities code: 2874, Tokyo Stock Exchange Prime Market)
Inquiries: Hiroshi Okada,
Director, Public Relations and Investor Relations
Telephone: +81-45-210-0011

Announcement Regarding the Recording of Extraordinary Losses, Revision of Full-Year Earnings Forecasts for the Fiscal Year Ended September 30, 2026, and Voluntary Return of Executive Compensation

YOKOREI Co., Ltd. (the "Company"), hereby announces that the Board of Directors resolved at a meeting held today, to record extraordinary losses for the fiscal year ended September 30, 2026 (October 1, 2025 to September 30, 2026) and to revise the full-year earnings forecast for the fiscal year ended September 2026, which was announced on August 14, 2026. The Company also announces that it will voluntarily return executive compensation and that there are no changes to the dividend forecast for the fiscal year ended September 30, 2026.

1. Recording of extraordinary losses (loss on valuation of investment securities and provision of allowance for doubtful accounts)

   Alliance Seafoods Inc. ("ASF," merged into the Company effective January 1, 2020), which was a wholly-owned subsidiary of the Company, entered into a comprehensive business alliance including a capital investment in 2015 with Hofseth International AS ("HI"), a company engaged in salmon processing and sales in Norway, with the aim of expanding its salmon business. Since then, the companies have been striving to continuously enhance their corporate value.

   HI grew sustainably after the investment by ASF in 2015, and its business performance was on an upward trend toward a future initial public offering (IPO). However, due to external factors such as fluctuations in salmon prices since 2024, a decline in the trading volume of Norwegian products due to higher tariff rates compared to competing countries stemming from U.S. tariff policies in 2025, as well as an increase in interest burdens on financial institutions due to rising financing needs associated with HI's business expansion and other factors, HI's net profit for the fiscal years ended December 31, 2024 and 2025, and net profit for the second quarter of the fiscal year ending December 31, 2026, turned negative. Furthermore, the market price of the listed green bonds issued by HI in November 2025 has been declining since June 2026, and the most recent market price has declined by approximately 30% from the time of issuance. Based on these factors, the Company has determined that the substantive value of HI common shares and other securities held by the Company have declined significantly compared with their book value. Consequently,

following an assessment of the need for impairment charges in accordance with accounting standards, we have recorded substantially all of the outstanding balance of our investments and loans in HI and its related companies as extraordinary losses. The breakdown of extraordinary losses consists of a loss on valuation of investment securities of 23.6 billion yen and a provision for doubtful accounts of 0.5 billion yen.
Please also refer to the attached supplementary materials, which provide details on the extraordinary losses related to HI, an overview of HI group, and the status of investment recovery to date regarding investments and financing related to HI. Furthermore, as stated in the supplementary materials, since substantially all of the outstanding balance of our investments and loans related to HI was recognized as extraordinary losses, there are essentially no other investment or loan projects in other overseas companies at the Company that could potentially result in significant impairment charges as this time. Additionally, we have decided on a policy of not making any investments or loans to overseas food-related companies during the term of our New Medium-Term Management Plan (October 1, 2026 through September 30, 2030).

2. Revision to full-year consolidated earnings forecast for the fiscal year ended September 30, 2026 (October 1, 2025 to September 30, 2026)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of the parent	Basic earnings per share
Previous forecast (A)	125,000	7,000	6,400	6,300	106.62 yen
Revised forecast (B)	130,500	7,100	6,600	(13,800)	(230.87) yen
Change (B-A)	5,500	100	200	(20,100)	
Change (%)	4.4%	1.4%	3.1%	–	
(Reference) Actual results for the previous fiscal year (Fiscal year ended September 30, 2025)	125,563	4,238	3,658	1,978	33.56 yen

* Impact on total assets: a decrease of 29.9 billion yen (refer to supplementary materials)
Breakdown: A decrease in total assets of 24.2 billion yen due to the recording of extraordinary losses, a decrease in total assets of 5.7 billion yen due to a decrease in unrealized gain on available-for-sale securities

3. Revision to full-year non-consolidated earnings forecast for the fiscal year ended September 30, 2026 (October 1, 2025 to September 30, 2026)

(Millions of yen)

	Net sales	Ordinary income	Profit	Basic earnings per share
Previous forecast (A)	121,700	5,900	5,900	99.85 yen
Revised forecast (B)	127,100	5,800	(14,500)	(245.34) yen
Change (B-A)	5,400	(100)	(20,400)	
Change (%)	4.4%	(1.7)%	–	
(Reference) Actual results for the previous fiscal year (Fiscal year ended September 30, 2025)	122,758	4,400	3,023	51.28 yen

* Impact on total assets: a decrease of 29.9 billion yen (refer to supplementary materials)
Breakdown: A decrease in total assets of 24.2 billion yen due to the recording of extraordinary losses, a decrease in total assets of 5.7 billion yen due to a decrease in unrealized gain on available-for-sale securities

4. Reason for revision (consolidated and non-consolidated)

Regarding the full-year consolidated earnings forecast, while net sales, operating income, and ordinary income progressed generally as planned, we are revising the previously announced forecast due to factors outlined in the "Announcement Regarding Transfer of Receivables and Shares and Recording of Extraordinary Gains and Losses" dated September 24, 2026 (gain on reversal of provision for guarantee losses of 4.7 billion yen, bad debt losses of 2.5 billion yen, and a gain on sale of investment securities of 0.5 billion yen), as well as recording of a loss on valuation of investment securities of 23.6 billion yen and a provision of allowance for doubtful accounts of 0.5 billion yen as described in the section "1. Recording of extraordinary losses (loss on valuation of investment securities and provision of allowance for doubtful accounts)" above.

5. Voluntary return of executive compensation

The Company takes very seriously the above revision of earnings forecasts and the circumstances that led to the recording of substantial losses. In order to clarify management accountability and take into account the impact of recording the relevant extraordinary losses, for a period of three months starting November 2026, the President and Representative Director, CEO will voluntarily return 50 percent of his base director's compensation, the Managing Director will voluntarily return 30 percent of his base director's compensation, and other full-time Directors will voluntarily return 20 percent of their base director's compensation. In addition, the Company has decided not to pay performance-linked bonuses to any of the Directors and Corporate Officers eligible for such bonuses for the fiscal year ended September 30, 2026.

6. Dividend forecast for the fiscal year ended September 30, 2026

There are no changes to the dividend forecast as a result of this earnings revision.

7. Future business relationship with HI

The Company plans to continue its business relationship with HI, limiting it to the procurement of products for our food sales business.

8. Other

For information regarding the Company's future actions, please refer to the "Announcement Regarding Initiatives to Strengthen Internal Management Controls and Corporate Governance (Including Plans to Transition to a Company with an Audit & Supervisory Committee)," which was released today.

YOKOREI Co., Ltd.

Supplementary Materials

October 30, 2026

Impairment and Provision for Assets Related to Hofseth Group

Based on the financial condition and future outlook of the Hofseth Group, an overseas partner company based in Norway, YOKOREI Co., Ltd. (the "Company") reviewed the recoverability of its holdings of the shares, corporate bonds, and loans related to the Hofseth International and its related companies, and recorded extraordinary losses of 24.2 billion yen due to impairment and provisions.

The judgment

Record impairment and provisions for assets related to Hofseth Group

Target	Shares, bonds and loans
Accounting period	Fourth quarter of the fiscal year ended September 30, 2026

Forecast for FY2026/9

Net sales	130.5 billion yen (no impact)
Operating income	7.1 billion yen (no impact)
Profit attributable to owners of the parent	(13.8) billion yen (Recording of extraordinary losses of 24.2 billion yen)

Extraordinary loss due to impairment and provision

Total 24.2 billion yen

Impact on financial statements (Balance Sheet)

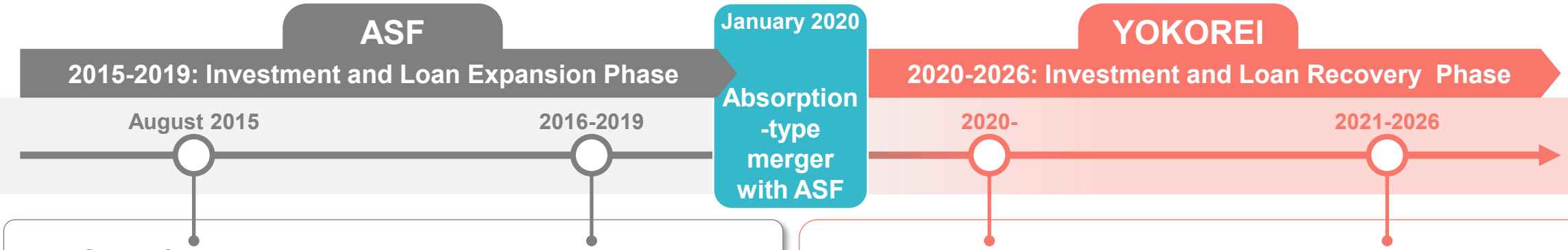
Decrease in related assets 29.9 billion yen

(including the reversal of unrealized gains, etc.)

- **No impact on net sales or operating income**
- **No cash outflow resulting from this accounting treatment**

Background and Strategic Positioning of the Hofseth Group

- In 2015, Alliance Seafoods Inc. (“ASF”), a consolidated subsidiary of the Company at the time, made an investment and a loan in Hofseth International AS (“HI”) with the aim of expanding its handling of salmon. ASF aimed to establish a vertically integrated business from aquaculture to processing and sales.
- In 2020, the Company completed an absorption-type merger with ASF and reorganized its business structure. The aquaculture company that had been a consolidated subsidiary of the YOKOREI Group was transferred to HI in 2021 and deconsolidated.
  Although the Company continued to procure salmon from HI, we moved forward to recover our investments and loans.



Start of capital and business alliance

- ASF made a capital investment and entered into a business partnership with HI
- Launch of salmon sales for the Japanese market

Expansion of joint ventures

- ASF and HI jointly acquired an aquaculture company
- Toward an integrated production system

Investment and loan execution / cumulative total: **Approximately 44.9 billion yen**

Start of recovery

- In line with the Company’s capital investment plan for cold storage facilities, it began recovering its investments and loans

Deconsolidation / Continued collaboration

- The Company transferred an aquaculture company to HI
- Handling of salmon tripled compared to 2015

Investments and loans outstanding in 2026: **Approximately 25.1 billion yen** *2

- **Investments and loans recovered (cumulative): Approximately 19.8 billion yen**
- **Interest, dividends, and other income (cumulative): Approximately 9.7 billion yen**

*2: Before this impairment

[Reference] Overview of HI Group

- Group net sales: 5,744 million NOK *1
- Processing division: owns 4 plants
- Processing volume: approx. 48,000 tons /year *1
- Aquaculture division: hatcheries, aquaculture farms and aquaculture licenses
- Aquaculture volume: approx. 14,000 tons /year *1

*1: Consolidated results for FY2025/12

Breakdown of Impairment and Provisions for HI Group-Related Assets and Outstanding Overseas Investments and Loans to Food-Related Companies

All impairment losses and provisions for assets related to HI Group are recorded as extraordinary losses
The sum of extraordinary losses and unrealized gain represents the amount impacting the balance sheet

(Billions of yen)

Category	Extraordinary losses	Amount of impact on B/S	Breakdown of amount of impact on B/S	
			Book value	Unrealized gain on available-for-sale securities
HI Group-Related Assets	**24.2**	**(29.9)**	(24.2)	(5.7)

Currently, only the following two overseas investments and loans have outstanding balances
There are no other investments and loans to overseas companies that could result in significant impairment charges

	Commencement of investments and loans	Company profile	Outstanding investment and loan balances (as of the end of September 2026)	Current measures
Hofseth Biocare ASA (Norway)	August 2016	Processing and Sales of Salmon-Derived Bioproducts	**Common shares 0.8 billion yen**	Listed on the Oslo Stock Exchange
Arctic Waters (UK)	September 2017	Sales of Crab	**Loan balance 0.3 billion yen** *	In the process of recovery

* Excluding mark-to-market valuation

Future Measures and Strengthening of Investment Management

While proceeding with the handling of the relevant matter, we will strengthen our investment review and monitoring systems, including those of affiliated companies

Current investment management system

- Initiatives to take corrective measures for deficiencies in internal control over financial reporting
- Establishment of the Risk Management Committee
  (Tokyo Stock Exchange timely disclosure: January 29, 2025)
- Tightening of processes related to business investments
  (Tokyo Stock Exchange timely disclosure: May 15, 2025)

Further strengthening of corporate governance, including the implementation of stricter investment management controls

- Current investment management system
- **Establishment of strict business investment criteria**
- **Scheduled transition from a company with an Audit & Supervisory Board to a company with an Audit & Supervisory Committee**

  Subject to the approval and adoption of the necessary amendments to the Articles of Incorporation at the 80th Annual General Meeting of Shareholders scheduled to be held in December 2027
- **Establishment of the Secretariat of the Board of Directors**
- **Appointment of additional Outside Directors**

During the new Medium-Term Management Plan period (October 1, 2026 – September 30, 2030), the Company has decided on a policy of not making investments and loans to overseas food-related companies.