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Notice Concerning Recording of Extraordinary losses (Impairment losses)

WATAMI CO., LTD. (hereinafter the “WATAMI”) hereby announces that extraordinary losses (impairment losses) had been recorded in the fiscal year ending March 31, 2026. (April 1, 2025 to March 31, 2026)

1. Details of Extraordinary losses (Impairment losses)

The Company's three consolidated subsidiaries — LEADER FOOD PTE. LTD., PREMIUM SEAFOOD SUPPLIES PTE. LTD., and LEADER FOOD INDUSTRIES PTE. LTD. (hereinafter collectively referred to as the "LEADER FOOD Group") — have been operating as strategic production and logistics hubs in the rapidly growing Southeast Asian market.

However, in addition to recent global economic fluctuations, there have been rapid changes in the external environment that exceeded initial expectations, including changes in the local business environment and rising various costs. In light of these factors, the Company has decided to conservatively revise the business plan for these operations after more carefully examining future profitability and asset recoverability. As a result of carefully assessing recoverability, the Company will record an impairment loss on goodwill amounting to 598 million yen.

In addition, in accordance with the “Accounting Standard for Impairment of Fixed Assets,” impairment testing was conducted for domestic and overseas restaurant stores and other fixed assets that became subject to impairment due to a decline in profitability, and an impairment loss of 647 million yen was recognized.

2. Impact on Business Performance

The impact from recording the above extraordinary losses (impairment losses) has been incorporated in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)” announced today.