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Securities code: 8079

January 12, 2023

To Shareholders with Voting Rights,

Ichiro Honda
President and Representative Director
5-7 Akihabara, Taito-ku, Tokyo, Japan
SHOEI FOODS CORPORATION

Notice of the 75th Annual General Meeting of Shareholders

You are cordially invited to attend the 75th Annual General Meeting of Shareholders (the “Meeting”) of SHOEI FOODS CORPORATION (the “Company”). The Meeting will be held as described below.

If you are unable to attend the Meeting in person, you may exercise your voting rights by postal voting or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:20 p.m. Japan time, Thursday, January 26, 2023, following the instructions on the “Guidance on Exercise of Voting Rights” on page 2 (in Japanese).

- 1. Date and time:** Friday, January 27, 2023, at 10 a.m. Japan time
- 2. Place:** Banquet room “Hisho,” 4th Floor, Asakusa View Hotel
3-17-1 Nishiasakusa, Taito-ku, Tokyo, Japan
(Please see the map of the venue at the end of this document) (in Japanese)
- 3. Objectives of the Meeting**
Matters to be reported:
 1. The business report and the consolidated financial statements for Term 75 (from November 1, 2021 to October 31, 2022) and the results of audits of the consolidated financial statements by the Accounting Auditor and the Audit & Supervisory Board
 2. The non-consolidated financial statements for Term 75 (from November 1, 2021 to October 31, 2022)

Matters to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Election of Two (2) Audit & Supervisory Board Members

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- * If attending the meeting in person, please present the enclosed Voting Card at the reception desk.
- * “Systems to ensure the proper execution of business, and overview of the operation status of such systems” in the Business Report, Consolidated Statement of Changes in Equity, and Notes to the Consolidated Financial Statements in the Consolidated Financial Statements, and Non-consolidated Statement of Changes in Equity and Notes to the Non-consolidated Financial Statements in the Non-consolidated Financial Statements are posted in the Company’s website (<https://www.shoeifoods.co.jp>) (in Japanese) pursuant to laws and regulations and the Company’s Articles of Incorporation and therefore are not included in the attachments to this Notice. Accordingly, the Consolidated Financial Statements and the Non-consolidated Financial Statements included in the attachments to this Notice comprise a part of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Board Members in preparing their respective audit reports.
- * Any amendments to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements will be posted on the Company’s website (<https://www.shoeifoods.co.jp>) (in Japanese).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows.

Matters regarding year-end dividends

The Company proposes year-end dividends for Term 75 as below. The Company recognizes the return of profit to shareholders as an important management priority, and its basic policy on dividends is to maintain stable dividends in consideration of such factors as business investments to realize medium- to long-term growth and the level of internal reserves.

(1)	Type of dividend assets	Cash
(2)	Allocation of dividend assets and their total dividend amount	24.00 yen per share of common stock Total 404,080,800 yen
(3)	Effective date of appropriation of surplus	January 30, 2023

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for amendments

Introduction of a system for electronic provision of materials for general meetings of shareholders

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) came into force on September 1, 2022. Pursuant to the introduction of the system for electronic provision of materials for general meetings of shareholders, the Company proposes amending its Articles of Incorporation as follows.

- (1) The proposed Article 16 (Measures for Electronic Provision, Etc.), Paragraph 1 will be established as companies are required by the Act to prescribe in their Articles of Incorporation that information contained in the reference documents for general meetings of shareholders, etc. shall be provided electronically.
- (2) The proposed Article 16 (Measures for Electronic Provision, Etc.), Paragraph 2 will be established to enable the Company to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it to those matters stipulated in the Ordinance of the Ministry of Justice, among the information contained in the reference documents for general meetings of shareholders, etc. to be provided electronically.
- (3) The provisions of Article 16 of the current Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for General Meetings of Shareholders, Etc.) will become unnecessary with the introduction of the system for electronic provision of materials for general meetings of shareholders and will therefore be deleted.
- (4) Supplementary provisions on transitional measures for the provisions that will be deleted. These supplementary provisions will be deleted after the lapse of a prescribed period.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>Chapter 3: General Meetings of Shareholders <u>(Internet Disclosure and Deemed Provision of Reference Documents for General Meetings of Shareholders, Etc.)</u> Article 16 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for general meetings of shareholders, business reports, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</p>	<p>(Deleted)</p>
<p>(Newly established)</p>	<p>Chapter 3: General Meetings of Shareholders <u>(Measures for Electronic Provision, Etc.)</u> Article 16 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically. 2. <u>Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>
<p>(Newly established)</p>	<p><u>(Supplementary Provisions)</u> <u>(Transitional Measures Concerning the Electronic Provision of Materials for General Meetings of Shareholders)</u> Article 1 Article 16 <u>(Internet Disclosure and Deemed Provision of Reference Documents for General Meetings of Shareholders, Etc.) of the Articles of Incorporation before amendments shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from September 1, 2022.</u> 2. <u>The provisions of this article shall be deleted after the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph.</u></p>

Proposal 3: Election of Two (2) Audit & Supervisory Board Members

The term of office of the incumbent Audit & Supervisory Board Members Shin Tokunaga and Kiyoshi Endo will expire at the conclusion of this Meeting. Accordingly, the Company proposes the election of two (2) Audit & Supervisory Board Members.

We have received the consent of the Audit & Supervisory Board for this proposal.

The candidates for Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Career summary, positions, and significant concurrent positions	
1	<p style="text-align: center;">Kiyoshi Endo (January 8, 1954)</p> <p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Number of the Company's shares held - shares</p>	<p>April 1986</p> <p>April 1991</p> <p>April 1993</p> <p>April 1997</p> <p>April 2001</p> <p>January 2019</p>	<p>Concurrent Lecturer, Faculty of Law of Chuo University (current position)</p> <p>Associate Professor, Faculty of Law of Miyazaki Sangyo-keiei University</p> <p>Assistant Professor, Faculty of Commerce and Economics of Chiba University of Commerce</p> <p>Professor, Faculty of Commerce and Economics of Chiba University of Commerce</p> <p>Professor, Department of Law, Faculty of Law of Toyo University</p> <p>Audit & Supervisory Board Member of the Company (current position)</p>
<p>Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member</p> <p>Mr. Kiyoshi Endo, a university professor who has written numerous books, is well versed in corporate legal affairs and corporate accounting. The Company has renominated him as a candidate for Outside Audit & Supervisory Board Member so that he can utilize his specialized insight and the knowledge, experience and other qualities he has developed over many years in the Company's audit function. The Company, therefore, considers that he will appropriately perform his duties as Outside Audit & Supervisory Board Member, although he has never been directly involved in corporate management. His term of office as an Outside Audit & Supervisory Board Member will be four (4) years at the conclusion of this General Meeting of Shareholders.</p>			
2	<p style="text-align: center;">Nobuyuki Iijima (August 26, 1961)</p> <p style="text-align: center;"><u>New appointment</u></p> <p style="text-align: center;">Number of the Company's shares held - shares</p>	<p>April 1984</p> <p>July 2014</p> <p>July 2015</p> <p>August 2019</p> <p>June 2020</p> <p>July 2020</p> <p>June 2021</p>	<p>Joined National Tax Agency</p> <p>Director, Large Enterprise Division, Large Enterprise and Criminal Investigation Department of National Tax Agency</p> <p>Counsellor, Consumption Tax Price Pass-through Measures Promotion Office of Cabinet Secretariat</p> <p>Director of Hiroshima Regional Tax Tribunal</p> <p>Retired from National Tax Agency</p> <p>Professor, School of Management of SANNO University (current position)</p> <p>Corporate Auditor of HASEKO Corporation (current position)</p>
<p>Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member</p> <p>Mr. Nobuyuki Iijima has broad experience as a tax specialist with the National Tax Agency, and is also a certified tax accountant. He also has experience as an outside corporate auditor at another company, and possesses considerable insight regarding corporate accounting and taxation. The Company proposes that he be newly elected as Outside Audit & Supervisory Board Member so that he can utilize his experience in the Company's audit function. The Company expects, therefore, that he will appropriately perform his duties as Outside Audit & Supervisory Board Member, although he has never been directly involved in corporate management.</p> <p>[Significant concurrent positions]</p> <p>Professor, School of Management of SANNO University</p> <p>Corporate Auditor of HASEKO Corporation</p>			

- Notes: 1. There are no special relationships of interest between each candidate and the Company.
2. Mr. Kiyoshi Endo and Mr. Nobuyuki Iijima are candidates for Outside Audit & Supervisory Board Member.
3. Matters that should be reported regarding the candidates for Outside Audit & Supervisory Board Member are as follows:
- (1) Independence of the candidates for Outside Audit & Supervisory Board Member
- a. If the election of Mr. Kiyoshi Endo is approved, the Company intends to designate him as an independent officer, as prescribed in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.
- b. If the election of Mr. Nobuyuki Iijima is approved, the Company intends to designate him as an independent officer, as prescribed in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.
- (2) Liability limitation agreement with Outside Audit & Supervisory Board Members
- The Company has entered into an agreement with Mr. Kiyoshi Endo, a candidate for Outside Audit & Supervisory Board Member, pursuant to Article 427, Paragraph 1 of the Companies Act to limit his liability for damages. The liability for damages based on this agreement is limited to the amount stipulated in laws and regulations. If the election of Mr. Kiyoshi Endo is approved, the Company intends to continue the agreement with him.
- If the election of Mr. Nobuyuki Iijima is approved, the Company intends to enter into an agreement with him, pursuant to Article 427, Paragraph 1 of the Companies Act, to limit his liability for damages set forth in Article 423, Paragraph 1 of the Companies Act. The liability for damages based on this agreement will be limited to the amount stipulated in laws and regulations.
4. The Company has entered into a directors and officers liability insurance contract with an insurance company, pursuant to Article 430-3, Paragraph 1 of the Companies Act. The contract is designed to compensate for damages incurred by the insured in the event that a claim for damages is made against the insured during the insurance period due to an act committed by the insured in their capacity as an officer of the Company. Each candidate for Audit & Supervisory Board Member will be included as an insured under the insurance contract.

(Reference) Skills Matrix of the Board of Directors

The Board of Directors of the Company strives to create an environment that supports appropriate risk-taking by management, based on the Company's mission statement and corporate vision and from the perspective of enhancing the Group's sustainable corporate value. In order to enable effective management oversight, the areas of experience and expertise of candidates for Directors are defined as below, and efforts are made to ensure a well-balanced composition of the Board of Directors as a whole.

Name	Officer	Major areas of professional experience						
		Corporate management Management strategy	Legal affairs Internal control Risk management	Finance Accounting	Global	Human resources development HR	Technology IT	Sustainability Environment CSR
Ichiro Honda	Director	<input type="checkbox"/>			<input type="checkbox"/>			
Hidemitsu Honda		<input type="checkbox"/>			<input type="checkbox"/>			
Toyomi Nakajima		<input type="checkbox"/>			<input type="checkbox"/>			<input type="checkbox"/>
Hirokane Fujio		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kazunori Kano		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Yasuhiro Maeda		<input type="checkbox"/>			<input type="checkbox"/>			
Takeshi Sakaguchi		<input type="checkbox"/>	<input type="checkbox"/>					
Yasutaka Honda					<input type="checkbox"/>			
Takashi Kai		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		
Hiroyoshi Inoue					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Takeshi Hashizume		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>			
Naoko Tanouchi		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Keizo Yoshida	Audit & Supervisory Board Member	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Shin Tokunaga			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Kiyoshi Endo			<input type="checkbox"/>	<input type="checkbox"/>				
Takashi Aikawa			<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	

Reason for selecting each item in the skills matrix

(1) Corporate management/Management strategy

The important role of the Board of Directors is to supervise and advise on corporate strategies to achieve sustainable growth of the Company and to make important decisions based on its fiduciary responsibility to shareholders; therefore, we believe that experience and ability in corporate management and management strategies are important.

(2) Legal affairs/Internal control/Risk management

Since these areas are important elements of corporate management and important responsibilities of the Board of Directors, we believe it is necessary to have a certain number of Directors with such expertise.

(3) Finance/Accounting

Since these areas are essential for corporate management, we believe it is necessary to have a certain number of Directors with such expertise.

(4) Global

We aim to create a new food culture by providing domestic and overseas food ingredients, and we also engage in business overseas. Therefore, we believe that global knowledge and experience are necessary.

(5) Human resources development/HR

We believe that human resources are the foundation of corporate activities and an important factor for sustainable corporate growth.

(6) Technology/IT

We place importance on digital transformation (DX), and aim to improve the efficiency and sophistication of our operations using IT.

(7) Sustainability/Environment/CSR

We believe that respect for the environment and human rights is the most important mission of a company.

(End)

Business Report

(From November 1, 2021 to October 31, 2022)

1. Current Status of the Corporate Group

(1) Business activities and results

During the fiscal year under review, the Japanese economy continued to be affected by the effects of the novel coronavirus (COVID-19), and the economic trends remained uncertain, with factors such as rising interest rates overseas leading to a progressive depreciation of the yen and rising prices of imported raw materials. In the food industry, prices continued to rise due to soaring costs of raw materials and energy. Under such circumstances, the SHOEI FOODS CORPORATION and its subsidiaries (the “Group”) focused on stably supplying imported raw materials and expanding sales of value-added products using the new production facilities actively pursued in recent years.

The Company has applied the “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29; March 31, 2020) and relevant standards since the beginning of the fiscal year under review.

As a result of the above, net sales were negatively impacted by the Revenue Recognition Standard that had been applied from the current fiscal year, but consolidated net sales for the fiscal year under review were 103,188 million yen due to strong sales of dried fruits and confectionery ingredients in Japan.

On the profit front, profits in the U.S. were high, but profits in Japan declined due to an increase in fixed costs such as depreciation on new production facilities actively undertaken in recent years and the rising prices of raw materials. Thus, operating profit was 3,749 million yen (89.6% of the previous fiscal year), ordinary profit was 4,095 million yen (95.6% of the previous fiscal year), and profit attributable to owners of parent was 2,788 million yen (99.9% of the previous fiscal year).

Business performance by division was as follows:

<Dairy products, oils and fats>

Sales of commercial dairy products such as butter increased, mainly for imported products, and excess milk processing also increased on the back of strong domestic raw milk production. However, sales of dairy products, oils and fats decreased to 32,186 million yen due to a reduction in revenue resulting from the introduction of the Accounting Standard for Revenue Recognition.

<Confectionery ingredients>

Sales of chestnut products, mainly chestnut paste, were strong, and baked confectionery, fruit filling, and domestically-sourced products for convenience stores also performed well. As a result, sales of confectionery ingredients were 18,105 million yen.

<Dried and canned fruits>

Sales of walnuts, almonds and other nuts and processed fruit in Japan were strong, and sales of walnuts in the U.S. and those of nuts and dried fruits in China also increased. As a result, sales of dried and canned fruits were 34,913 million yen.

<Confectionery and retail products>

Sales of private brand confectionery products at convenience stores declined due to a rebound from the previous year’s stay-at-home demand, and revenue decreased partly due to the effect of the Accounting Standard for Revenue Recognition. Sales of small packaged products such as nuts and dried fruits also declined due to the rebound from stay-at-home demand. As a result, sales of confectionery and retail products were 17,639 million yen.

Sales by division

(Million yen)

Business division	Term 74 From November 1, 2020 to October 31, 2021		Term 75 From November 1, 2021 to October 31, 2022		
	Net sales	% of total net sales	Net sales	% of total net sales	
Food business	Dairy products, oils and fats	34,267	34.4	32,186	31.2
	Confectionery ingredients	16,635	16.7	18,105	17.6
	Dried and canned fruits	30,143	30.3	34,913	33.8
	Confectionery and retail products	18,264	18.3	17,639	17.1
	Others	314	0.3	340	0.3
	Subtotal	99,626	100.0	103,185	100.0
Others	5	0.0	2	0.0	
Total	99,631	100.0	103,188	100.0	

(2) Status of financing

The Group raises its funds from borrowings from financial institutions and its own funds.

(3) Status of capital investment

During the fiscal year under review, the Group spent 1,913 million yen on capital investments, which mainly consisted of capital investments for the chocolate molding plant at Robinia Corporation, and the purchase mainly of machinery and equipment to expand the packaging line at ShoEi Delicy Corporation and improve the efficiency of the production equipment and to ensure quality control at production subsidiaries.

(4) Business segment transfers, absorption-type splits, and incorporation-type splits

Not applicable.

(5) Business segments transferred from other companies

Not applicable.

(6) Succession of rights and responsibilities related to the businesses of other corporations through absorption-type mergers and splits

Not applicable.

(7) Acquisitions and disposals of equity including shares, or stock acquisition rights, etc., in other companies

Not applicable.

(8) Issues to be addressed

The Group aims to be a global corporate group that can contribute to society by providing customers with safe and reliable foods carefully selected from Japan and from around the world and creating a new food culture. To this end, it holds the basic management policy of strengthening its comprehensive functions ranging from raw material procurement, production/processing, to distribution/sales and accurately meeting the changing needs of its customers, and is committed to proactively addressing the following issues:

(i) Changing and diversifying needs

Lifestyles are changing in the with-COVID-19 era, and a quantitative contraction in the domestic food market is expected due to the aging population and declining birthrate. Meanwhile, consumer needs are becoming more diverse and individualized, and the externalization of food*¹ is progressing. We will focus on developing products in line with changing consumer needs such as increasingly vigorous environmental protection activities and increasing health consciousness, health awareness and preference for convenience, plant-based foods, home meal replacement needs, and nursing care food in the context of the aging population, as well as responding to the needs of these industries.

(ii) Increased competition in the food industry

The food distribution industry has been shifting its focus to convenience stores and drugstores and corporate reorganizations are taking place accordingly. Considering the intensified competition among food manufacturers, we will make further efforts to improve our comprehensive corporate strengths including capabilities to manage inventory, develop products and make proposals to accommodate the plans of our business partners in a timely manner.

(iii) Volatile food ingredient prices

Prices of imported products are becoming more volatile due to the effects of the war in Ukraine and climate change, as well as rapid exchange rate fluctuations. We will further promote the reinforcement of stable procurement capabilities by reviewing our raw material procurement system.

(iv) Cost increase due to labor shortage, etc. and the progress of digital technology

A shift to high value-added products that can cover costs has been necessitated by rising personnel, logistic, and other costs due to labor shortages caused by factors such as the decrease in the working population and rising energy prices. It has also become important that we build a system that saves manpower through automation in the production divisions. Options for enhancing efficiency have increased as a result of the progress in digital technologies, and we will further strive to improve efficiency by utilizing them, among others.

(v) Growing interest in sustainability and ESG management

Against the backdrop of expanding climate change, businesses are displaying more interest in environmental initiatives. BCP has become important as a response to infectious diseases and natural disasters, and there is growing interest in contributing to a sustainable society and engaging with various stakeholders by advancing human rights, women's empowerment, and workforce diversity. Further reinforcing corporate governance is essential, and it has also become critical to implement ESG initiatives. We aim to contribute to a sustainable society by advancing these issues.

*1 Against the backdrop of factors such as the increasing numbers of families where both parents work and single-person households, the aging population, and increasingly diverse lifestyles, families appear to have become more dependent on sources outside the household for functions such as cooking and meals, which used to be performed within households. As a result, the food industry has progressively come to provide and develop markets for "home meal replacements" such as pre-prepared foods, everyday dishes, and lunchboxes to respond to the changing way that people are consuming food. This overall trend is referred to as the "externalization of food."

(9) Status of assets and operating results

Category	Term 72 (Fiscal year ended October 31, 2019)	Term 73 (Fiscal year ended October 31, 2020)	Term 74 (Fiscal year ended October 31, 2021)	Term 75 (Fiscal year ended October 31, 2022)
Net sales (Thousand yen)	105,800,816	100,572,710	99,631,156	103,188,411
Ordinary profit (Thousand yen)	4,020,874	4,308,596	4,279,591	4,095,103
Profit attributable to owners of parent (Thousand yen)	2,651,790	2,797,785	2,789,359	2,788,355
Basic earnings per share (Yen)	156.45	166.00	165.74	165.63
Net assets (Thousand yen)	39,931,833	41,152,323	44,352,445	49,158,674
Total assets (Thousand yen)	75,626,005	76,582,973	78,470,319	82,851,870
Net assets per share (Yen)	2,310.96	2,399.00	2,585.44	2,867.08

Notes: 1. Basic earnings per share are calculated based on the average number of shares issued (excluding treasury stock) during the fiscal year.

2. "Partial Amendments to Accounting Standard for Tax effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018) and other standards have been applied from the beginning of Term 72.

3. Pursuant to the application of "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29; March 31, 2020 and "Implementation Guidance on Accounting Standard for Revenue Recognition" (revised ASBJ Guidance No. 30, March 26, 2021), the figures in the "Status of assets and operating results" for the fiscal year under review are those reflecting the application of this accounting standard, etc.

(10) Status of principal parent and subsidiaries

(i) Relationship with the parent

Not applicable.

(ii) Status of principal subsidiaries

Company name	Capital	Equity ownership	Main business activities
Tsukuba Dairy Products Co., Ltd.	(Thousand yen) 247,500	% 83.6	Manufacture and sales of dairy products Processing and sales of nuts
Kyo Marron Co., Ltd.	35,000	100.0	Manufacture and sales of bottled and canned food Processing and sales of nuts
Robinia Corporation	10,000	100.0	Manufacture and sales of confectionery
Iwasa Corporation	22,000	84.5	Purchasing and sales of ingredients for confectionery and baking
ShoEi Delicy Corporation	100,000	100.0	Purchasing, manufacture, and sales of confectionery
ShoEi Foods (U.S.A.), Inc.	(Thousand US dollars) 23,050	100.0	Import/export and sales of agricultural produce and orchard operation Processing and sales of fruits
ShoEi Foods Qingdao Co., Ltd.	(Thousand US dollars) 14,600	100.0	Processing and sales of agricultural produce
Yanji ShoEi Foods Co., Ltd.	(Thousand US dollars) 8,062	100.0	Same as the above
ShoEi International Trading Shanghai Co., Ltd.	(Thousand US dollars) 6,000	100.0	Purchasing and sales of processed foods
ShoEi International Trading Hong Kong Co., Ltd.	(Thousand HK dollars) 2,000	100.0	Same as the above

(11) Main business activities

The Group is engaged in the import, production, and wholesale of raw ingredient dairy products, oils and fats; confectionery ingredients; dried fruits and nuts; canned foods; and confectionery and retail products. Additionally, it is also engaged in the real estate rental business.

The major products of the Group by divisions are as follows:

Division	Category	Major products
Food business	Dairy products, oils and fats	Powdered milk, condensed milk, butter, cheese, mixes for soft-serve ice cream, lactose, casein, various fats used in baking confectionery/ice cream/baking bread, margarine, shortening, etc.
	Confectionery ingredients	Various baking chocolates, processed fruits, processed egg products, chestnut products, other raw materials for Japanese confectionery, foaming agents, liquors for baking, sugar-covered products, emulsifiers, essences, sugars, flours, etc.
	Dried and canned fruits	Various dried fruits and nuts (raisins, prunes, almonds, walnuts, coconuts, etc.), various canned fruits and vegetables (pineapples, mandarin oranges, yellow peaches, corn, bamboo shoots, tomatoes, etc.), food for commercial use, etc.
	Confectionery and retail products	Chocolate confectionery, biscuits, cookies, and dried fruits and nuts in retail bags (prunes, almonds, walnuts, etc.)
	Others	Packaging materials and others
Others	Real estate rental	Buildings for rent, etc.

(12) Main offices and plants

Head Office of the Company	5-7, Akihabara, Taito-ku, Tokyo
Domestic business offices	Head Office (Taito-ku, Tokyo), Kansai Branch Office (Yodogawa-ku, Osaka-shi), Kyushu Branch Office (Higashi-ku, Fukuoka-shi), Sapporo Branch Office (Atsubetsu-ku, Sapporo-shi), Sendai Branch Office (Wakabayashi-ku, Sendai-shi), Niigata Branch Office (Chuo-ku, Niigata-shi), Nagoya Branch Office (Naka-ku, Nagoya-shi), Hiroshima Branch Office (Asaminami-ku, Hiroshima-shi), Tsukuba Dairy Products Co., Ltd. (Ishioka-shi, Ibaraki), Tsukuba Dairy Products Co., Ltd. Sales Head Office (Chiyoda-ku, Tokyo), ShoEi Delicy Corporation (Taito-ku, Tokyo), and Iwasa Corporation (Hakata-ku, Fukuoka-shi)
Domestic production bases	Tsukuba Dairy Products Co., Ltd. Ishioka Plant (Ishioka-shi, Ibaraki), Tsukuba Dairy Products Co., Ltd. Tamari Plant (Omitama-shi, Ibaraki), ShoEi Delicy Corporation Chikusei Plant (Chikusei-shi, Ibaraki), Kyo Marron Co., Ltd. Mitsukaido Plant (Joso-shi, Ibaraki), Kyo Marron Co., Ltd. Amakusa Plant (Amakusa-shi, Kumamoto), Kyo Marron Co., Ltd. Bando Plant (Bando-shi, Ibaraki), and Robinia Corporation Sakaki Plant (Hanishina-gun, Nagano)
Overseas bases	ShoEi Foods (U.S.A.), Inc. (California, US) ShoEi International Trading Shanghai Co., Ltd. (China) ShoEi International Trading Hong Kong Co., Ltd. (China) ShoEi Foods Qingdao Co., Ltd. (China) Yanji ShoEi Foods Co., Ltd. (China)

(13) Status of employees

Number of employees	Increase (decrease) from previous fiscal year-end
1,436 [709]	Increase of 26

Note: The number of employees represents the number of employees working in the Group and the average number of contract-based and temporary workers for the year is stated separately in brackets.

(14) Major lenders

Lender	Balance of borrowings
	Thousand yen
Mizuho Bank, Ltd.	5,370,000
MUFG Bank, Ltd.	5,011,897
The Norinchukin Bank	4,530,905

(15) Other significant matters regarding the current conditions of the Group

No important matters to be stated.

2. Status of the Company's Shares

- | | |
|--|--|
| (1) Total number of authorized shares | 48,585,000 shares |
| (2) Total number of shares issued and outstanding | 17,100,000 shares (including 263,300 shares of treasury stock) |
| (3) Number of shareholders | 22,924 |

(4) Major shareholders

Name of shareholder	Number of shares held	Equity ownership
	Thousand shares	%
Honda Kosan Co., Ltd.	1,322	7.8
Shoei Plaza Co., Ltd.	1,321	7.8
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,146	6.8
Shoei Foods Partners Shareholders Association	760	4.5
Hidemitsu Honda	621	3.6
Mizuho Bank, Ltd.	545	3.2
Ichiro Honda	487	2.8
MUFG Bank, Ltd.	456	2.7
Meiji Co., Ltd.	428	2.5
The Dai-ichi Life Insurance Company, Limited	419	2.4

Note: Equity ownership is calculated after deducting treasury stock (263,300 shares).

(5) Status of shares issued to officers of the Company as compensation for the execution of their duties during the fiscal year

Position	Number of shares	Number of grantees
Directors (excluding Outside Directors)	4,731	8

Note: The above is stock-based compensation with transfer restriction.

3. Stock Acquisition Rights

(1) Status of stock acquisition rights as of the fiscal year-end

Not applicable.

(2) Status of stock acquisition rights issued during the fiscal year

Not applicable.

(3) Other significant matters regarding stock acquisition rights

No important matters to be stated.

4. Officers of the Company (as of October 31, 2022)

(1) Status of Directors and Audit & Supervisory Board Members

Position	Name	Responsibilities	Significant concurrent positions
President and Representative Director	Ichiro Honda		
Vice President and Representative Director	Hidemitsu Honda		
Senior Managing Director	Toyomi Nakajima	Division Head, Production Division	President and Representative Director, ShoEi Delicy Corporation
Senior Managing Director	Hirokane Fujio	Division Head, Administration Division and General Manager, General Affairs & Human Relations Dept.	
Director	Kazunori Kano	General Manager, Management Planning Dept.	
Director	Yasuhiro Maeda	Division Head, Products & Merchandise Division	
Director	Takeshi Sakaguchi	Division Head, Sales & Marketing Division	
Director	Yasutaka Honda	In charge of Sales Management Div. and General Manager, Confectionery Materials Dept.	
Director	Takashi Kai		
Director	Hiroyoshi Inoue		
Director	Takeshi Hashizume		
Director	Naoko Tanouchi		
Standing Audit & Supervisory Board Member	Keizo Yoshida		

Position	Name	Responsibilities	Significant concurrent positions
Audit & Supervisory Board Member	Shin Tokunaga		Partner, Sowa Tax Corporation
Audit & Supervisory Board Member	Kiyoshi Endo		
Audit & Supervisory Board Member	Takashi Aikawa		Executive Partner, Shinsoh Audit Corporation

Notes: 1. Directors Takashi Kai, Hiroyoshi Inoue, Takeshi Hashizume, and Naoko Tanouchi are Outside Directors.
2. Audit & Supervisory Board Members Shin Tokunaga, Kiyoshi Endo, and Takashi Aikawa are Outside Audit & Supervisory Board Members.
3. Directors Yasutaka Honda, Takeshi Hashizume, and Naoko Tanouchi were elected newly as Directors at the 74th Annual General Meeting of Shareholders held on January 28, 2022, and took office thereafter.
4. Keizo Fujikawa, Kazuhiko Harada, Masami Takei, Kazusato Yamaguchi, and Yoshio Hanihara retired at the conclusion of the 74th Annual General Meeting of Shareholders held on January 28, 2022, due to the expiry of their terms of office.
5. Standing Audit & Supervisory Board Member Keizo Yoshida has experience in organizational management, having served as the general manager of international and corporate divisions, etc. of the head office of a major life insurance company, and has considerable insight into the sound and adequate corporate management.
Audit & Supervisory Board Member Shin Tokunaga is a certified public accountant and a certified tax accountant and has considerable insight into finance and accounting.
Audit & Supervisory Board Member Kiyoshi Endo has considerable insight into corporate legal affairs and corporate accounting as a university professor.
Audit & Supervisory Board Member Takashi Aikawa is a certified public accountant and has considerable insight into finance and accounting.
Directors Takashi Kai, Hiroyoshi Inoue, Takeshi Hashizume, and Naoko Tanouchi, and Audit & Supervisory Board Members Shin Tokunaga, Kiyoshi Endo, and Takashi Aikawa have been designated as independent officers and registered as such with the Tokyo Stock Exchange.

(2) Overview of the directors and officers liability insurance contract

Pursuant to Article 430-3, Paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance contract with an insurance company that insures all Directors, Audit & Supervisory Board Members, and Corporate Officers of the Company and its consolidated subsidiaries. The contract is designed to compensate for damages incurred by the insured in the event that a claim for damages is made against the insured during the insurance period due to an act committed by the insured in their capacity as an officer of the Company.

(3) Compensation, etc. to Directors and Audit & Supervisory Board Members

(i) Matters concerning the policy for determining the amount of compensation, etc. to each individual Director and the method of calculation thereof

With respect to the policy for determining the amount of compensation, etc. to each individual Director, the Company has established the Officer Compensation Rules with the following details, based on the approval of the Board of Directors.

The compensation for Directors consists of monthly compensation, officers' bonuses, and stock-based compensation. For Outside Directors, only the monthly compensation is paid.

The compensation for Directors is determined within the limit of compensation resolved at the General Meeting of Shareholders, after deliberation by the Governance Committee, which is a voluntary advisory committee.

The total amount of individual monthly compensation and officers' bonuses to be paid to Directors (excluding Outside Directors) is determined by the Board of Directors. The monthly compensation is determined based on the degree of contribution to the enhancement of the Group's corporate value over the medium- to long-term, taking into consideration the Company's business performance, management status, economic conditions and other factors. In order to clarify management responsibility and further increase incentives for improving business performance, officers' bonuses are determined by the President and Representative Director (Ichiro Honda) based on a comprehensive assessment of their responsibilities and achievements, reflecting the Company's performance including the status of profit plan achievement and the contribution of each individual.

We have also introduced the monetary claim compensation plan for granting restricted stock in order to provide Directors (excluding Outside Directors) with incentives to sustainably increase the Company's corporate value and promote further value sharing with shareholders. The eligible

Directors will pay all of such monetary compensation claims as properties contributed in kind for the purpose of granting restricted stock under the plan. The amount to be paid-in per share is determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of each Board of Directors meeting to the extent that the amount is not particularly favorable to the eligible Directors who subscribe for such common stock. The specific timing and distribution of the payment to each eligible Director shall be determined by the Board of Directors, and the transfer restriction period for the restricted stock shall be a period predetermined by the Board of Directors of the Company, within the range of 20 to 30 years. In addition, the transfer restriction shall be cancelled in the event that the eligible Director resigns from the position predetermined by the Board of Directors of the Company before the expiration of the transfer restriction period due to expiration of his or her term of office, death, or other justifiable reasons. On the other hand, if the eligible Director resigns from the position predetermined by the Board of Directors of the Company before the expiration of the transfer with no justifiable reasons, such as expiration of his or her term of office, death, or other reasons, the Company will acquire such shares without compensation.

The total amount of compensation to Outside Directors is determined by the Board of Directors, taking into consideration their social status and contribution to the Company. The allocation of compensation to each individual is determined by the President and Representative Director (Ichiro Honda).

- (ii) Matters concerning the delegation of responsibility for determining the details of individual compensation, etc. to Directors

For the purpose of efficient operation of the Board of Directors, the discretionary power to determine the amount of individual monthly compensation and bonuses for directors is given to the President and Representative Director (Ichiro Honda) pursuant to the resolution by the Board of Directors meeting. The authority is re-delegated to the President and Representative Director (Ichiro Honda) because he has a comprehensive understanding of the Group's management status and the status of execution of responsibilities and contribution of each Director.

- (iii) Reasons why the Board of Directors determined that details of compensation, etc. to each individual Director are in line with the decision policy

The Directors' compensation system/policy and the amount of compensation are matters to be deliberated by the Governance Committee, which is a voluntary advisory committee consisting of a majority of Outside Directors. By reporting the results of deliberations to the Board of Directors, the objectivity and transparency of the decisions made by the President and Representative Director, who has been re-delegated, are ensured. The Board of Directors believes that the officer compensation system has been operated properly.

- (iv) Matters concerning the policy for determining the amount of compensation, etc. to Audit & Supervisory Board Members and the method for calculation thereof

Regarding the compensation for both full-time and part-time Audit & Supervisory Board Members, only monthly compensation is paid. No officers' bonuses or stock-based compensation is paid because of their role in monitoring and supervising management from an independent standpoint. The total amount of monthly compensation to Audit & Supervisory Board Members is resolved at the General Meeting of Shareholders, and the allocation method is determined through discussions among Audit & Supervisory Board Members in accordance with laws and regulations.

(v) Total amount of compensation, etc. to Directors and Audit & Supervisory Board Members

Position	Total amount of compensation, etc. (Thousand yen)	Total amount of compensations, etc. by type (Thousand yen)		Number of Officers subject to the compensation
		Basic compensation	Non-monetary compensation	
		Fixed compensation	Restricted stock	
Directors [of which, Outside Directors]	209,824 [19,910]	188,810 [19,910]	21,014[-]	17 [5]
Audit & Supervisory Board Members [of which, Outside Audit & Supervisory Board Members]	30,060 [13,410]	30,060 [13,410]	- [-]	4 [3]
Total	239,884	218,870	21,014	21

Notes: 1. At the 70th Annual General Meeting of Shareholders held on January 30, 2018, the maximum amount of compensation to Directors was approved to be 260,000 thousand yen p.a. (including 20,000 thousand yen for Outside Directors). The number of Directors as of the close of this Annual General Meeting of Shareholders was 14 (including three Outside Directors).

Additionally, at the 72nd Annual General Meeting of Shareholders held on January 30, 2020, compensation of up to 80,000 thousand yen p.a. was approved for granting restricted stock to Directors (excluding Outside Directors), separately from the amount of compensation, etc., described above. The number of Directors as of the close of this Annual General Meeting of Shareholders was 14 (including three Outside Directors).

2. At the 46th Annual General Meeting of Shareholders held on January 28, 1994, the maximum amount of compensation to Audit & Supervisory Board Members was approved to be 40,000 thousand yen p.a. The number of Audit & Supervisory Board Members as of the close of this Annual General Meeting of Shareholders was three (including three Outside Audit & Supervisory Board Members).

3. The above amounts do not include the employee salary portion of 65,206 thousand yen paid to Directors serving concurrently as employees.

(4) Matters regarding Outside Directors

(i) Significant concurrent positions held at other companies and their relationships with the Company

Position	Name	Concurrent position held
Audit & Supervisory Board Member	Shin Tokunaga	Partner, Sowa Tax Corporation
Audit & Supervisory Board Member	Takashi Aikawa	Executive Partner, Shinsoh Audit Corporation

There are no special relationships between the Company and the above companies at which the significant concurrent positions are held.

(ii) Major activities during the fiscal year under review

Position	Name	Major activities
Director	Takashi Kai	Having attended all 13 Board of Directors meetings held during the fiscal year under review, Takashi Kai has been giving advice and recommendations on and supervising management in general based on his extensive experience and insight acquired at a food division of a major trading company, as well as his experience from having served as an inspector at the internal auditing division and an audit & supervisory board member of a group company of the trading company. As a member of the Governance Committee, he has also provided advice on the Company's overall governance.

Position	Name	Major activities
Director	Hiroyoshi Inoue	Having attended 11 out of 13 Board of Directors meetings held during the fiscal year under review, Hiroyoshi Inoue, as a university professor on the forefront of medical radiation, a long-time researcher of ethical drugs and functional foods, and a leading authority in the study of oils, especially nut-derived oils, has been giving advice on and supervising management from his specific area of expertise. As a member of the Governance Committee, he has also provided advice on the Company's overall governance.
Director	Takeshi Hashizume	Having attended all nine Board of Directors meetings held after his appointment as Outside Audit & Supervisory Board Member, Takeshi Hashizume has been giving advice on management in general and supervising management from an independent standpoint based on his experience of involvement in corporate management and organizational operations, having served as Executive Officer of a major securities company. As a member of the Governance Committee, he has also provided advice on the Company's overall governance.
Director	Naoko Tanouchi	Having attended all nine Board of Directors meetings held after her appointment as Outside Audit & Supervisory Board Member, Naoko Tanouchi has been giving advice on human resources utilization and female advancement and supervising management from an independent standpoint based on her experience in business strategy and audit divisions at a major food manufacturer. As a member of the Governance Committee, she has also provided advice on the Company's overall governance.
Audit & Supervisory Board Member	Shin Tokunaga	Having attended 11 out of 13 Board of Directors meetings and 12 out of 14 Audit & Supervisory Board meetings held during the fiscal year under review, Shin Tokunaga has been giving adequate advice as necessary, based on his extensive experience and knowledge acquired as a certified public accountant and a certified tax accountant.
Audit & Supervisory Board Member	Kiyoshi Endo	Having attended all 13 Board of Directors meetings and all 14 Audit & Supervisory Board meetings held during the fiscal year under review, Kiyoshi Endo has been giving adequate advice as necessary, based on his extensive experience and knowledge acquired as a university professor.
Audit & Supervisory Board Member	Takashi Aikawa	Having attended all 13 Board of Directors meetings and all 14 Audit & Supervisory Board meetings held during the fiscal year under review, Takashi Aikawa has been giving adequate advice as necessary, based on his extensive experience and knowledge acquired as a certified public accountant.

(5) Overview of agreements to limit liability

The Company has entered into agreements with each of the Outside Directors and Outside Audit & Supervisory Board Members to limit their liability set forth in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act and the provisions of Articles 32 and 43 of the Company's Articles of Incorporation.

The maximum amount of liability based on these agreements is the amount set forth by laws and regulations.

5. Accounting Auditor

(1) Name of Accounting Auditor

Deloitte Touche Tohmatsu LLC

(2) Amount of compensation, etc. to Accounting Auditor for the fiscal year under review

The amount of compensation, etc. paid to the Accounting Auditor during the fiscal year under review and the reason why the Audit & Supervisory Board consented to this amount

	Thousand yen
a. The amount of compensation for audit services in accordance with Article 2, Paragraph 1 of the Certified Public Accountants Act	46,000
b. Total amount of monies and other assets payable by the Company and its subsidiaries to the Accounting Auditor	46,000

Notes: 1. The audit agreement between the Company and the Accounting Auditor does not distinguish between compensation paid for audit work performed under the Companies Act and that under the Financial Instruments and Exchange Act. Accordingly, the above amount includes the amount of compensation, etc. for audit work performed under the Financial Instruments and Exchange Act.

2. In accordance with the “Practical Guidelines for Cooperation with Accounting Auditors” released by the Japan Audit & Supervisory Board Members Association, the Audit & Supervisory Board has confirmed and deliberated the audit plans of the Accounting Auditor, the status of its audit performance, and the grounds for calculation of compensation estimates. As a result, the Audit & Supervisory Board found them to be appropriate, and gave consent to the amount of compensation paid to the Accounting Auditor in accordance with Article 399, Paragraph 1 of the Companies Act.

(3) Non-audit work

Not applicable.

(4) Policy regarding decisions to dismiss or not reappoint an Accounting Auditor

The Audit & Supervisory Board shall determine a proposal to be presented to the general meeting of shareholders to dismiss or not reappoint the Accounting Auditor as necessary, including cases where there is difficulty for the Accounting Auditor to perform its duties.

Additionally, with its unanimous consent, the Audit & Supervisory Board shall dismiss the Accounting Auditor if deemed to fall under the items in Article 340, Paragraph 1 of the Companies Act. In such cases, the Audit & Supervisory Board shall designate an Audit & Supervisory Board Member to report that the Accounting Auditor was dismissed and the reasons for its dismissal at the first general meeting of shareholders following such dismissal.

Note: Figures stated in this Business Report are rounded down to the presented unit.

Consolidated Balance Sheet

(As of October 31, 2022)

(Thousand yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	51,598,792	Current liabilities	27,090,716
Cash and deposits	7,867,293	Notes and accounts payable – trade	10,579,403
Notes and accounts receivable – trade	20,285,365	Short-term loans payable	8,803,952
Merchandise and finished goods	17,619,921	Current portion of long-term loans payable	3,251,476
Work in process	1,017,000	Accounts payable – other	2,098,822
Raw materials and supplies	2,743,091	Income taxes payable	388,111
Advance payments	584,685	Provision for bonuses	918,285
Other	1,485,059	Provision for bonuses for directors	10,767
Allowance for doubtful accounts	(3,626)	Other	1,039,897
Non-current assets	31,253,077	Non-current liabilities	6,602,479
Property, plant and equipment	24,901,613	Long-term loans payable	5,038,133
Buildings and structures	13,672,234	Deferred tax liabilities	174,558
Machinery, equipment and vehicles	6,597,078	Net defined benefit liability	924,580
Tools, furniture and fixtures	334,023	Provision for retirement benefits for directors	79,499
Land	3,535,308	Other	385,708
Leased assets	60,927	Total liabilities	33,693,195
Construction in progress	350,932	Net assets	
Other	351,109	Shareholders' equity	42,865,576
Intangible assets	279,239	Share capital	3,379,736
Software	127,268	Capital surplus	3,055,283
Other	151,971	Retained earnings	37,341,125
Investments and other assets	6,072,223	Treasury stock	(910,568)
Investment securities	3,312,373	Accumulated other comprehensive income	5,406,620
Shares of subsidiaries and affiliates	257,113	Valuation difference on available-for-sale securities	1,546,959
Insurance premiums	25,249	Deferred gains or losses on hedges	422,721
Long-term advance payments	1,945,050	Foreign currency translation adjustments	3,548,784
Deferred tax assets	232,256	Remeasurements of defined benefit plans	(111,845)
Other	390,976	Non-controlling interests	886,477
Allowance for doubtful accounts	(90,794)	Total net assets	49,158,674
Total assets	82,851,870	Total liabilities and net assets	82,851,870

Consolidated Statement of Income

(From November 1, 2021 to October 31, 2022)

(Thousand yen)

Item	Amount	
Net sales		103,188,411
Cost of sales		86,583,698
Gross profit		16,604,713
Selling, general and administrative expenses		12,855,607
Operating profit		3,749,105
Non-operating profit		
Interest income	13,188	
Dividend income	78,249	
Foreign exchange gains	217,391	
Share of profit of entities accounted for using the equity method	26,592	
Insurance claim income	1,796	
Other	136,788	474,007
Non-operating expenses		
Interest expense	119,799	
Other	8,210	128,009
Ordinary profit		4,095,103
Extraordinary income		
Gain on sales of non-current assets	45,888	45,888
Extraordinary losses		
Loss on retirement of non-current assets	27,937	
Loss on sales on non-current assets	14,529	42,466
Income before income taxes		4,098,525
Income taxes – current	1,296,231	
Income taxes – deferred	(45,667)	1,250,564
Profit		2,847,961
Profit attributable to non-controlling interests		59,605
Profit attributable to owners of parent		2,788,355

Non-consolidated Balance Sheet

(As of October 31, 2022)

(Thousand yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	37,031,458	Current liabilities	24,365,974
Cash and deposits	2,589,134	Accounts payable – trade	9,656,196
Notes receivable – trade	840,692	Short-term loans payable	9,647,642
Accounts receivable – trade	16,493,583	Current portion of long-term loans payable	3,100,000
Merchandise	9,326,503	Lease obligations	34,607
Imports in transit	3,853,998	Accounts payable – other	901,107
Advance payments	53,388	Accrued expenses	194,782
Short-term loans receivable from subsidiaries and affiliates	2,573,034	Income taxes payable	282,818
Accounts receivable – other	223,044	Deposits received	77,388
Other	1,079,927	Provision for bonuses	380,000
Allowance for doubtful accounts	(1,849)	Other	91,429
Non-current assets	20,926,204	Non-current liabilities	5,549,475
Property, plant and equipment	11,660,848	Long-term loans payable	4,500,000
Buildings	8,527,010	Leasehold and guarantee deposits received	105,329
Structures	363,998	Lease obligations	31,882
Machinery and equipment	4,595	Deferred tax liabilities	461,467
Vehicles	0	Provision for retirement benefits	204,756
Tools, furniture and fixtures	33,290	Other	246,040
Land	2,668,782		
Leased assets	60,927		
Construction in progress	2,244	Total liabilities	29,915,449
Intangible assets	66,426	Net assets	
Software	59,751	Shareholders' equity	26,169,433
Telephone subscription right	6,675	Share capital	3,379,736
Investments and other assets	9,198,928	Capital surplus	3,051,516
Investment securities	3,024,086	Legal capital surplus	3,042,770
Shares of subsidiaries and affiliates	3,174,800	Other capital surplus	8,746
Investments in capital	9,450	Retained earnings	20,648,747
Investments in capital of subsidiaries and affiliates	2,748,544	Legal retained earnings	523,872
Long-term loans receivable	1,800	Other retained earnings	20,124,875
Insurance premiums	25,249	Reserve for tax purpose reduction entry of non-current assets	40,916
Other	263,783	General reserve	11,710,000
Allowance for doubtful accounts	(48,787)	Retained earnings brought forward	8,373,959
		Treasury stock	(910,568)
		Valuation and translation adjustments	1,872,780
		Valuation difference on available-for-sale securities	1,450,058
		Deferred gains or losses on hedges	422,721
		Total net assets	28,042,213
Total assets	57,957,662	Total liabilities and net assets	57,957,662

Non-consolidated Statement of Income

(From November 1, 2021 to October 31, 2022)

(Thousand yen)

Item	Amount	
Net sales		
Net sales of goods	81,107,216	
Real estate lease revenue	782,949	81,890,166
Cost of sales		
Cost of goods sold	71,931,141	
Cost of real estate lease revenue	590,396	72,521,538
Gross profit		9,368,628
Selling, general and administrative expenses		7,528,841
Operating profit		1,839,786
Non-operating profit		
Interest income	29,806	
Dividend income	366,370	
Commission income	14,406	
Foreign exchange gains	11,622	
Insurance claim income	1,302	
Dividend income of insurance	30,339	
Other	9,679	463,526
Non-operating expenses		
Interest expense	119,971	
Other	5,686	125,658
Ordinary profit		2,177,655
Extraordinary income		
Gain on sales of non-current assets	43,929	43,929
Extraordinary losses		
Loss on sales on non-current assets	14,186	
Loss on retirement of non-current assets	349	14,535
Income before income taxes		2,207,049
Income taxes – current	660,790	
Income taxes – deferred	(11,106)	649,684
Profit		1,557,364

Consolidated Statement of Changes in Equity

(From November 1, 2021 to October 31, 2022)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	3,379,736	3,051,419	35,360,808	(928,559)	40,863,404
Changes during period					
Dividends of surplus			(808,039)		(808,039)
Profit attributable to owners of parent			2,788,355		2,788,355
Purchase of treasury stock				(1,426)	(1,426)
Disposal of treasury stock		3,864		19,417	23,282
Net changes in items other than shareholders' equity					
Total changes during period	—	3,864	1,980,316	17,991	2,002,172
Balance at end of period	3,379,736	3,055,283	37,341,125	(910,568)	42,865,576

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,678,687	103,139	953,655	(82,210)	2,653,271	835,769	44,352,445
Changes during period							
Dividends of surplus							(808,039)
Profit attributable to owners of parent							2,788,355
Purchase of treasury stock							(1,426)
Disposal of treasury stock							23,282
Net changes in items other than shareholders' equity	(131,727)	319,582	2,595,128	(29,634)	2,753,348	50,708	2,804,057
Total changes during period	(131,727)	319,582	2,595,128	(29,634)	2,753,348	50,708	4,806,229
Balance at end of period	1,546,959	422,721	3,548,784	(111,845)	5,406,620	886,477	49,158,674

Non-Consolidated Statement of Changes in Equity

(From November 1, 2021 to October 31, 2022)

(Thousand yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		Retained earnings brought forward
					Reserve for tax purpose reduction entry of non-current assets	General reserve		
Balance at beginning of period	3,379,736	3,042,770	4,882	3,047,652	523,872	40,916	11,710,000	7,624,633
Changes during period								
Dividends of surplus								(808,039)
Profit								1,557,364
Purchase of treasury stock								
Disposal of treasury stock			3,864	3,864				
Net changes in items other than shareholders' equity								
Total changes during period	—	—	3,864	3,864	—	—	—	749,325
Balance at end of period	3,379,736	3,042,770	8,746	3,051,516	523,872	40,916	11,710,000	8,373,959

	Shareholders' equity			Valuation and translation adjustments			Total net assets
	Retained earnings	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Total retained earnings						
Balance at beginning of period	19,899,422	(928,559)	25,398,251	1,579,570	103,139	1,682,709	27,080,961
Changes during period							
Dividends of surplus	(808,039)		(808,039)				(808,039)
Profit	1,557,364		1,557,364				1,557,364
Purchase of treasury stock		(1,426)	(1,426)				(1,426)
Disposal of treasury stock		19,417	23,282				23,282
Net changes in items other than shareholders' equity				(129,511)	319,582	190,070	190,070
Total changes during period	749,325	17,991	771,181	(129,511)	319,582	190,070	961,251
Balance at end of period	20,648,747	(910,568)	26,169,433	1,450,058	422,721	1,872,780	28,042,213