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(Securities Code 2602)

Date of transmission: June 2, 2023

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To Shareholders with Voting Rights:

Takahisa Kuno
Representative Director and President
The Nisshin Oillio Group, Ltd.
1-23-1, Shinkawa, Chuo-ku, Tokyo,
Japan

**NOTICE OF CONVOCATION OF
THE 151ST ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We cordially announce that the 151st Annual General Meeting of Shareholders of The Nisshin Oillio Group, Ltd. (the "Company") will be held for the purposes as described below.

In convening this Annual General Meeting of Shareholders, the Company has taken measures to provide information electronically in accordance with Article 325-3 of the Companies Act, which stipulates the matters for electronic provision. Please access the Company's website below to view this information.

The Company's website (https://www.nisshin-oillio.com/english/inv/ir_library/)

In addition to the above website, the Company has also disclosed matters for electronic provision on the website of the Tokyo Stock Exchange (TSE). Please access the below TSE website (TSE Listed Company Search), enter and search for the issue name (company name) or securities code, then select "Basic information" or "Documents for public inspection/PR information."

Tokyo Stock Exchange website (TSE Listed Company Search)
(<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>)

Even if you refrain from attending the meeting, you can exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders, refer to Guide to Exercising Voting Rights described below, and exercise your voting rights by 5:30 p.m. Japan time on Thursday, June 22, 2023.

Date and Time: Friday, June 23, 2023 at 10 a.m. Japan time

Venue: East 21 Hall, 1F, Hotel East 21 Tokyo, located at 6-3-3 Toyo, Koto-ku, Tokyo, Japan

Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 151st Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 151st Fiscal Year (April 1, 2022 - March 31, 2023)

Proposals to be resolved:

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Nine Directors

Proposal No. 3: Election of Two Audit & Supervisory Board Members

Proposal No. 4: Election of One Substitute Audit & Supervisory Board Member

- Of the matters for electronic provision, the following matters are not included in the paper copy to be sent to shareholders who have requested it, pursuant to the provisions of applicable laws and regulations and Article 17 of the Articles of Incorporation of the Company. Accordingly, the paper copy constitutes part of the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements audited by the Audit & Supervisory Committee Members in preparing the Audit Report, and part of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Accounting Auditor in preparing the Accounting Audit Report.
 - 1) "Systems to Ensure that the Execution of Duties by Directors Complies with Laws, Regulations, and the Articles of Incorporation of the Company, Systems to Ensure Appropriateness of Other Business Operations, and the Status of Operation of the Systems" and "Basic Policy Regarding Control of the Company" in the Business Report
 - 2) "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
 - 3) "Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements
- Amendments to the matters for electronic provision (including matters before and after correction) will be posted on the Company's website and TSE website as shown above, if any.

Guide to Exercising Voting Rights

◆ To Attend the General Meeting of Shareholders

Submit the enclosed Voting Rights Exercise Form at the reception desk of the venue. You are also requested to bring this convocation notice with you on the day of the meeting.

Date and time: Friday, June 23, 2023 at 10 a.m. Japan time

- * You may exercise your voting rights by proxy only in the case where the proxy is another shareholder with voting rights. In such cases, please submit the Voting Rights Exercise Form of the shareholder attending by proxy together with a document certifying the proxy's authority of representation (proxy form and Voting Rights Exercise Form of the shareholder exercising voting rights by proxy) at the reception desk of the venue.

◆ To Exercise Your Voting Rights via Electromagnetic Means (the Internet, etc.)

Access the Company's designated **voting website** (<https://www.web54.net>) and follow the on-screen guidance to vote for or against the proposals.

Deadline of exercising voting rights: 5:30 p.m. Japan time on Thursday, June 22, 2023

- * If you exercise your voting rights multiple times via the Internet, etc. or in duplicate both on a PC or a smartphone, your last vote exercised will be deemed valid.
- * If you exercise your voting rights in duplicate both in writing and via the Internet, etc., your vote received at a later timing will be deemed valid. If your vote exercised in writing and your vote exercised via the Internet, etc. are received on the same day, the vote exercised via the Internet, etc. will be deemed valid.
- * Please note that communication fees (or telephone charges) which may be incurred when exercising voting rights shall be borne by voters.

◆ To Exercise Your Voting Rights in Writing

Indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it to us by the following deadline.

Deadline of arrival: 5:30 p.m. Japan time on Thursday, June 22, 2023

- * If you do not indicate your approval or disapproval of each proposal on the returned Voting Rights Exercise Form, we will assume that you have indicated your approval to the Company's proposals.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

The Company proposes the following appropriation of surplus for the fiscal year ended March 31, 2023:

Year-end Dividend

The Company recognizes that the return of profits to shareholders is one of the most important issues in management. In its “Value Up+” medium-term management plan, on the basis of continuing to pay stable dividends, the Company has adhered to a policy of aiming for a total payment ratio over four years aggregate of 50%. For this proposal, always on the basis of continuation of stable dividends and looking ahead to fiscal 2024, the final fiscal year of “Value Up+,” the Company has decided to return profits to shareholders with a target consolidated dividend payout ratio of 40%.

In the same management plan, the Company has set a target on a return on equity (ROE) of 8% as the performance target, and the Company is endeavoring to achieve growth and improvement of return on capital (ROC) through proactive investment. Furthermore, looking ahead to fiscal 2030, the Company has revised the ROE target to be 10%. To surely return to shareholders the fruits of any improvement in ROC stemming from profit growth, the Company will employ the consolidated dividend payout ratio as a key indicator.

After a comprehensive consideration of these matters, the Company hereby proposes a year-end dividend of ¥75 per share for the fiscal year ended March 31, 2023, which is a ¥30 increase compared to the previous period’s dividend of ¥45. This will result in an annual dividend of ¥120 per share (including the interim dividend of ¥45 per share), which is a ¥30 increase compared to the previous period.


- (1) Type of dividend property
Cash
- (2) Matters concerning allotment of dividend property to shareholders and total amount thereof
¥75 per share of the Company’s common stock, for a total of ¥2,443,332,450
- (3) Effective date of distribution of surplus
June 26, 2023

Proposal No. 2: Election of Nine Directors


The terms of office of nine Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of nine Directors.

The candidates for Directors are as follows:


No.	Name	Current positions and responsibilities in the Company	Attendance at Board of Directors meetings
1	Takahisa Kuno [Reappointment]	Representative Director and President	100% (12 / 12)
2	Hidetoshi Ogami [Reappointment]	Representative Director and Senior Managing Officer Responsible for Financial Dept., Corporate Sustainability Management, Digital Innovation Dept., Strategic Sourcing & Supply Management, and Meal & Grain Sales	100% (12 / 12)
3	Yasushi Kawarasaki [Reappointment]	Director and Senior Managing Officer Responsible for Production Coordination, Environmental Solutions, Logistics Management Dept., Yokohama Isogo Complex, Yokohama Isogo Plant, Nagoya Plant, Sakai Plant, Mizushima Complex, Mizushima Plant, and Safety Management & Disaster Prevention	100% (12 / 12)
4	Arata Kobayashi [Reappointment]	Director and Senior Managing Officer Responsible for Corporate Planning Dept., Personnel & General Affairs Dept., Public Relations & Investor Relations Dept., Quality Assurance Dept., and Publicity & Advertising Dept.	100% (12 / 12)
5	Masato Saegusa [Reappointment]	Director and Senior Managing Officer General Manager of Food Product Division, Responsible for Branch Operation, Food Business Promotion Dept., Direct Marketing Dept., and Osaka Complex	100% (12 / 12)
6	Yoshiharu Okano [Reappointment]	Director and Managing Officer Responsible for Global Business, Fine Chemicals Dept., and Fine Chemicals Sales & Marketing	100% (12 / 12)
7	Isao Yamamoto [Reappointment] [Outside] [Independent]	Outside Director	100% (12 / 12)
8	Emi Machida [Reappointment] [Outside] [Independent]	Outside Director	100% (12 / 12)
9	Naomi Eto [Reappointment] [Outside] [Independent]	Outside Director	100% (8 / 8)

<p>Candidate No.</p> <p>1</p> <p>[Reappointment]</p>	 <p>Takahisa Kuno</p> <p>Date of birth: October 29, 1961</p> <p>Number of shares of the Company held (of which, the number of shares planned to be issued in accordance with the stock-based remuneration system) 21,169 shares (12,069 shares)</p> <p>Attendance at Board of Directors meetings 100% (12 / 12)</p>	<ul style="list-style-type: none"> • Career summary, position and responsibilities in the Company <ul style="list-style-type: none"> April 1985 Joined the Company June 2008 Executive Officer of the Company April 2014 Managing Officer of the Company June 2014 Director and Managing Officer of the Company June 2017 Representative Director and President of the Company (to present) • Significant concurrent position Chairman of Intercontinental Specialty Fats Sdn. Bhd. • Material conflict of interest with the Company None <p>[Reasons for nomination as a candidate for Director] Mr. Takahisa Kuno has served as President since June 2017 and been involved in the management of the Company. He has been nominated as a candidate because the Company believes that his extensive knowledge and experience in management as well as his achievements in increasing corporate value and strengthening the foundation of the Group as President would continue to be required for the management of the Company.</p>
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<p>Candidate No.</p> <p>2</p> <p>[Reappointment]</p>	 <p>Hidetoshi Ogami</p> <p>Date of birth: February 1, 1961</p> <p>Number of shares of the Company held (of which, the number of shares planned to be issued in accordance with the stock-based remuneration system) 12,518 shares (6,918 shares)</p> <p>Attendance at Board of Directors meetings 100% (12 / 12)</p>	<ul style="list-style-type: none"> • Career summary, position and responsibilities in the Company <ul style="list-style-type: none"> April 1983 Joined the Company July 2004 Executive Officer of the Company June 2005 Director of the Company June 2011 Managing Officer of the Company June 2013 Director and Managing Officer of the Company June 2018 Director and Senior Managing Officer of the Company June 2019 Representative Director and Senior Managing Officer of the Company April 2023 Representative Director and Senior Managing Officer of the Company • Material conflict of interest with the Company None <p>[Reasons for nomination as a candidate for Director] Mr. Hidetoshi Ogami has been nominated as a candidate because the Company believes that his extensive knowledge and experience in management as well as his achievements as a supervisor for finance, accounting and businesses related to raw materials purchasing and the meal business would continue to be required for the management of the Company.</p>
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<p>Candidate No.</p> <p>3</p> <p>[Reappointment]</p>	 <p>Yasushi Kawarasaki</p> <p>Date of birth: August 31, 1958</p> <p>Number of shares of the Company held (of which, the number of shares planned to be issued in accordance with the stock-based remuneration system) 12,842 shares (5,972 shares)</p> <p>Attendance at Board of Directors meetings 100% (12 / 12)</p>	<ul style="list-style-type: none"> • Career summary, position and responsibilities in the Company <ul style="list-style-type: none"> April 1984 Joined the Company June 2011 Executive Officer of the Company April 2017 Managing Officer of the Company June 2018 Director and Managing Officer of the Company April 2021 Director and Senior Managing Officer of the Company April 2023 Director and Senior Managing Officer of the Company Responsible for Production Coordination, Environmental Solutions, Logistics Management Dept., Yokohama Isogo Complex, Yokohama Isogo Plant, Nagoya Plant, Sakai Plant, Mizushima Complex, Mizushima Plant, and Safety Management & Disaster Prevention (to present) • Material conflict of interest with the Company None <p>[Reasons for nomination as a candidate for Director] Mr. Yasushi Kawarasaki has been nominated as a candidate because the Company believes that his extensive knowledge and experience in addressing environmental issues and safety management and disaster prevention as well as his achievements as a supervisor for production sections would continue to be required for the management of the Company.</p>
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<p>Candidate No.</p> <p>4</p> <p>[Reappointment]</p>	 <p>Arata Kobayashi</p> <p>Date of birth: May 26, 1961</p> <p>Number of shares of the Company held (of which, the number of shares planned to be issued in accordance with the stock-based remuneration system) 12,264 shares (5,564 shares)</p> <p>Attendance at Board of Directors meetings 100% (12 / 12)</p>	<ul style="list-style-type: none"> • Career summary, position and responsibilities in the Company <ul style="list-style-type: none"> April 1985 Joined the Company May 2009 Executive Officer of the Company April 2014 Managing Officer of the Company June 2016 Director and Managing Officer of the Company April 2023 Director and Senior Managing Officer of the Company Responsible for Corporate Planning Dept., Personnel & General Affairs Dept., Public Relations & Investor Relations Dept., Quality Assurance Dept., and Publicity & Advertising Dept. (to present) • Material conflict of interest with the Company None <p>[Reasons for nomination as a candidate for Director] Mr. Arata Kobayashi has been nominated as a candidate because the Company believes that his extensive knowledge and experience in management strategies, corporate governance, and risk management as well as his achievements as a supervisor for corporate planning and personnel & general affairs sections would continue to be required for the management of the Company.</p>
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Candidate No. 5 [Reappointment]	 Masato Saegusa Date of birth: September 22, 1960 Number of shares of the Company held (of which, the number of shares planned to be issued in accordance with the stock-based remuneration system) 7,591 shares (4,791 shares) Attendance at Board of Directors meetings 100% (12 / 12)	<ul style="list-style-type: none"> ● Career summary, position and responsibilities in the Company April 1984 Joined the Company April 2014 Executive Officer and General Manager of Tokyo Branch of the Company April 2019 Managing Officer of the Company June 2021 Director and Managing Officer of the Company April 2023 Director and Senior Managing Officer of the Company General Manager of Food Product Division, Responsible for Branch Operation, Food Business Promotion Dept., Direct Marketing Dept., and Osaka Complex (to present) ● Material conflict of interest with the Company None <hr/> [Reasons for nomination as a candidate for Director] Mr. Masato Saegusa has been nominated as a candidate because the Company believes that his extensive knowledge and experience based on his engagement in a wide range of operations at sales sections as well as his achievements in the overall food product business as a supervisor in sales, including his experience serving as General Manager of the Tokyo Branch, would continue to be required for the management of the Company.
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Candidate No. 6 [Reappointment]	 Yoshiharu Okano Date of birth: September 6, 1962 Number of shares of the Company held (of which, the number of shares planned to be issued in accordance with the stock-based remuneration system) 2,547 shares (1,547 shares) Attendance at Board of Directors meetings 100% (12 / 12)	<ul style="list-style-type: none"> ● Career summary, position and responsibilities in the Company April 1987 Joined Marubeni Corporation April 2013 General Manager of Livestock Feed Operation of Marubeni Corporation April 2015 General Manager of Second Grain Dept. of Marubeni Corporation April 2017 Senior Operating Officer of Grain Division of Marubeni Corporation April 2019 Managing Officer of the Company June 2019 Director and Managing Officer of the Company April 2021 Director and Managing Officer of the Company Responsible for Global Business, Fine Chemicals Dept., and Fine Chemicals Sales & Marketing (to present) ● Significant concurrent position President of The Nisshin OilliO (China) Investment Co., Ltd. ● Material conflict of interest with the Company None <hr/> [Reasons for nomination as a candidate for Director] Mr. Yoshiharu Okano has been nominated as a candidate because the Company believes that his extensive knowledge and experience in its overseas businesses and risk management as well as his longtime engagement and achievements in global business at the general trading company would continue to be required for the management of the Company.
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Candidate No. 7 [Reappointment] [Outside] [Independent]	 Isao Yamamoto Date of birth: May 2, 1957 Number of shares of the Company held 3,000 shares Attendance at Board of Directors meetings 100% (12 / 12)	<ul style="list-style-type: none"> ● Career summary, position and responsibilities in the Company April 1981 Joined Nomura Research Institute, Ltd. January 1991 Head of Strategic Advisory Group of Nomura Research Institute, Ltd. January 2002 Co-Head and Managing Director of Investment Banking Division, Merrill Lynch Japan Securities Co., Ltd. (current BofA Securities, Inc.) November 2003 President & CEO of The Institute for Securities Investment & Governance K.K. July 2006 Auditor of MASSTUNE, Inc. (current MINKABU THE INFONOID, Inc.) September 2007 Director of MASSTUNE, Inc. (current MINKABU THE INFONOID, Inc.) November 2009 President of Enterprising Investment, Inc. (to present) June 2011 Outside Director of Sony Financial Holdings Inc. (current Sony Financial Group Inc.) June 2019 Outside Director of the Company (to present) October 2019 Outside Director of Scenera, Inc. (to present) ● Significant concurrent position President of Enterprising Investment, Inc. ● Material conflict of interest with the Company None [Reasons for nomination as a candidate for Outside Director and overview of expected role] Mr. Isao Yamamoto has utilized his knowledge and experience in financial markets and general management, cultivated through years of activities as a securities analyst as well as a financial advisor, in the management of the Company. In particular, he has actively made statements on management strategies and enhancement of capital efficiency and invigorated the discussions at the Board of Directors meetings. The members of the Board of Directors had an off-site meeting in July 2022. The aim for the meeting was to consider the management issues intensively. He engaged in the meeting actively to give a presentation which led to the discussion for improvement on PBR of the Company from the perspectives of his expertise. Furthermore, he has actively expressed his views to improve governance as a member of the Nomination Advisory Committee and the Remuneration Advisory Committee, and these facts show that he has appropriately supervised and provided advice to management. For the reasons above, the Company expects him to enhance the Board of Directors' functions and continues to propose his nomination as Outside Director.
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Candidate No. 8 [Reappointment] [Outside] [Independent]	 Emi Machida Date of birth: February 7, 1964 Number of shares of the Company held 400 shares Attendance at Board of Directors meetings 100% (12 / 12)	<ul style="list-style-type: none"> ● Career summary, position and responsibilities in the Company March 1990 Registered as a Certified Public Accountant (to present) July 2004 Member of Deloitte Touche Tohmatsu (current Deloitte Touche Tohmatsu LLC) July 2012 Resigned from Deloitte Touche Tohmatsu LLC April 2013 Part-time Auditor of Deposit Insurance Corporation of Japan June 2016 Outside Audit & Supervisory Board Member of the Company June 2020 Outside Director of the Company (to present) June 2020 Outside Auditor of Yakult Honsha Co., Ltd. (to present) ● Significant concurrent position Certified Public Accountant Outside Auditor of Yakult Honsha Co., Ltd. ● Material conflict of interest with the Company None <hr/> [Reasons for nomination as a candidate for Outside Director and overview of expected role] With her extensive knowledge and experience in her field of expertise as a Certified Public Accountant, Ms. Emi Machida has utilized her four-year experience of serving as Outside Audit & Supervisory Board Member of the Company in the management of the Company. In particular, she has actively given her opinions from the perspectives of finance, accounting, risk management, and environmental, social and governance (ESG), etc. and invigorated the discussions at the Board of Directors meetings. Furthermore, she has actively expressed her views to improve governance as a member of the Nomination Advisory Committee and the Remuneration Advisory Committee. Although she has never been involved in corporate management other than as an outside officer, these facts show that she has appropriately supervised and provided advice to management. For the reasons above, the Company expects her to enhance the Board of Directors' functions and continues to propose her nomination as Outside Director.
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Candidate No.	 Naomi Eto Date of birth: May 2, 1956 Number of shares of the Company held 1,000 shares	<ul style="list-style-type: none"> • Career summary, position and responsibilities April 1979 Joined Bridgestone Tire Co., Ltd. (current Bridgestone Corporation) March 2009 Executive Officer, Responsible for General Affairs and Corporate Communications, Bridgestone Corporation September 2011 Executive Officer, Responsible for Environment, Bridgestone Corporation February 2014 Executive Officer, General Manager of Group CC Division, Zensho Holdings Co, Ltd. June 2014 Director, General Manager of Group CC Division, Zensho Holdings Co, Ltd. January 2015 Director, General Manager of General Affairs Division, Zensho Holdings Co, Ltd. June 2020 Retired as Director of Zensho Holdings Co, Ltd. June 2020 Outside Director of Morinaga & Co., Ltd. (to present) June 2022 Outside Director of the Company (to present) June 2022 Outside Director of Nippon Yakin Kogyo Co., Ltd. (to present)
9	Attendance at Board of Directors meetings 100% (8 / 8) *After assuming office as Outside Director	<ul style="list-style-type: none"> • Significant concurrent position Outside Director of Morinaga & Co., Ltd. Outside Director of Nippon Yakin Kogyo Co., Ltd.
[Reappointment]		<ul style="list-style-type: none"> • Material conflict of interest with the Company None
[Outside]		[Reasons for nomination as a candidate for Outside Director and overview of expected role] Ms. Naomi Eto has utilized her extensive knowledge and experience in corporate governance, compliance, and sustainability based on her engagement in business operations in the management of the Company. In particular, she has actively given her opinions from the perspectives of environmental, social and governance (ESG), human capital management, and legal affairs, etc. and invigorated the discussions at the Board of Directors meetings. Furthermore, she has actively expressed her views to improve governance as a member of the Nomination Advisory Committee and the Remuneration Advisory Committee. These facts show that she has appropriately supervised and provided advice to management. For the reasons above, the Company expects her to enhance the Board of Directors' functions and continues to propose her nomination as Outside Director.
[Independent]		

(Notes)

- Mr. Isao Yamamoto, Ms. Emi Machida and Ms. Naomi Eto are candidates for Outside Directors. Mr. Isao Yamamoto will have served as Outside Director for four years at the conclusion of this General Meeting of Shareholders. Ms. Emi Machida will have served as Outside Director for three years at the conclusion of this General Meeting of Shareholders. Ms. Naomi Eto will have served as Outside Director for one year at the conclusion of this General Meeting of Shareholders. Ms. Emi Machida served as Audit & Supervisory Board Member of the Company in the past.
- In accordance with the provisions of Article 27 of the Articles of Incorporation of the Company and the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Isao Yamamoto, Ms. Emi Machida, and Ms. Naomi Eto to limit their liability, as stipulated in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability under these agreements is ¥5 million or the minimum amount of liability stipulated in laws and regulations, whichever is higher. If this proposal is approved as originally proposed, the Company plans to continue these agreements.
- Mr. Isao Yamamoto, Ms. Emi Machida, and Ms. Naomi Eto are independent directors required to be retained by Tokyo Stock Exchange, Inc. for the protection of general shareholders.
- There are no business transactions in the fiscal year ended March 31, 2023 between the Company (including its subsidiaries) and the significant entity where Mr. Isao Yamamoto concurrently serves.
- More than ten years have passed since Ms. Emi Machida resigned from Deloitte Touche Tohmatsu LLC which is the Accounting Auditor of the Company. Ms. Emi Machida was not in charge of auditing the financial statements of the Company and its subsidiaries during the period when she

was with the entity.


6. Ms. Emi Machida concurrently serves as Outside Auditor of Yakult Honsha Co., Ltd. In the fiscal year ended March 31, 2023, the Company and its subsidiaries engaged in transactions with Yakult Honsha, including payment of transportation fees and sale of disinfectants. However, the transaction amount accounted for less than 0.1% of the consolidated net sales of Yakult Honsha and less than 0.1% of the consolidated net sales of the Company.
7. Ms. Naomi Eto concurrently serves as Outside Director of Morinaga & Co., Ltd. In the fiscal year ended March 31, 2023, the Company and its subsidiaries engaged in transactions with Morinaga & Co., Ltd., including payment for purchase of raw materials and sale of foods. However, the transaction amount accounted for less than 0.3% of the consolidated net sales of Morinaga & Co., Ltd. and less than 0.4% of the consolidated net sales of the Company. Ms. Naomi Eto also concurrently serves as Outside Director of Nippon Yakin Kogyo Co., Ltd. There were no business transactions in the fiscal year ended March 31, 2023 between the Company, including its subsidiaries, and Nippon Yakin Kogyo Co., Ltd.
8. Ms. Naomi Eto had been Director of Zensho Holdings Co, Ltd. until June 2020. The Company and its subsidiaries engaged in transactions with Zensho Holdings Co, Ltd., including sale of food products. However, the transaction amount accounted for less than 0.1% of the consolidated net sales of the Company.
9. The Company has concluded a directors and officers liability insurance contract with an insurance company that insures all Directors. The insurance policy covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. The candidates will be insured under the insurance contract. The Company will renew the contract with the same details at the next renewal.

Proposal No. 3: Election of Two Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Members, Mr. Katsuhito Oba and Mr. Tomotake Kusamichi, will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of two Audit & Supervisory Board Members is proposed.

Prior consent of the Audit & Supervisory Board has been obtained for this proposal.

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

Candidate No. 1 [Reappointment]	 Katsuhito Oba Date of birth: March 12, 1962 Number of shares of the Company held 700 shares	<ul style="list-style-type: none"> • Career summary and position in the Company April 1985 Joined the Company July 2008 Manager of Retail Marketing Dept. June 2011 Deputy General Manager of Tokyo Branch April 2015 General Manager of Business Promotion June 2019 Audit & Supervisory Board Member of the Company (full-time) (to present) • Material conflict of interest with the Company None [Reasons for nomination as a candidate for Audit & Supervisory Board Member] In addition to serving as Audit & Supervisory Board Member of the Company for four years, Mr. Katsuhito Oba has extensive knowledge and experience in business operation after years of his engagement in various fields at business operation and sales departments of the Company. He has been renominated as a candidate because the Company believes that his knowledge and experience would continue to contribute to the improvement of auditing quality.
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Candidate No. 2 [Reappointment] [Outside] [Independent]	 Tomotake Kusamichi Date of birth: October 18, 1972 Number of shares of the Company held 200 shares	<ul style="list-style-type: none"> • Career summary and position in the Company October 2003 Registered as an attorney at law (Dai-ichi Tokyo Bar Association) (to present) April 2017 Vice-president of Dai-ichi Tokyo Bar Association April 2018 Head of Tama Branch, Three Bar Associations in Tokyo April 2018 Deputy Director of Tokyo District Office of Japan Legal Support Center June 2019 Outside Audit & Supervisory Board Member of the Company (to present) • Significant concurrent position Attorney at law • Material conflict of interest with the Company None [Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member] Mr. Tomotake Kusamichi has been renominated as a candidate because the Company would like him to utilize his knowledge and experience in his field of expertise as an attorney at law to improve auditing quality in addition to serving as Outside Audit & Supervisory Board Member of the Company for four years and being well-versed in the business of the Company. Although he has never been involved in corporate management other than as an outside officer, the Company believes Mr. Tomotake Kusamichi can properly fulfill his duties as Outside Audit & Supervisory Board Member by leveraging his knowledge and experience.
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(Notes)

1. Mr. Tomotake Kusamichi is a candidate for Outside Audit & Supervisory Board Member. Mr. Tomotake Kusamichi will have served as Outside Audit & Supervisory Board Member for four years at the conclusion of this General Meeting of Shareholders.
2. The Company has entered an agreement with Mr. Tomotake Kusamichi to limit his liability as stipulated in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 34 of the Articles of Incorporation of the Company and the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability under this agreement is ¥5 million or the minimum amount of liability stipulated by laws and regulations, whichever is higher. If this proposal is approved as originally proposed, the Company plans to continue this agreement.
3. Mr. Tomotake Kusamichi is an independent auditor required to be retained by Tokyo Stock Exchange, Inc. for the protection of general shareholders.
4. There are no business transactions in the fiscal year ended March 31, 2023 between the Company (including its subsidiaries) and the significant entity where Mr. Tomotake Kusamichi concurrently serves.
5. The Company has concluded a directors and officers liability insurance contract with an insurance company that insures all Audit & Supervisory Board Members. The insurance policy covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. The candidates will be insured under the insurance contract. The Company will renew the contract with the same details at the next renewal.

<Reference> Composition of the Audit & Supervisory Board

If Proposal No. 3 is approved as originally proposed, the composition of the Audit & Supervisory Board will be as follows:

Name	Positions at the Company	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings
Katsuhito Oba [Reappointment]	Audit & Supervisory Board Member (full-time)	100% (12 / 12)	100% (19 / 19)
Nobuyuki Watanabe	Audit & Supervisory Board Member (full-time)	100% (8 / 8)	100% (12 / 12)
Tomotake Kusamichi [Reappointment] [Outside] [Independent]	Outside Audit & Supervisory Board Member	100% (12 / 12)	100% (19 / 19)
Sayaka Sumida [Outside] [Independent]	Outside Audit & Supervisory Board Member	92% (11 / 12)	95% (18 / 19)

<Reference> Skills matrix

If Proposals No. 2 and No. 3 are approved as originally proposed, the skills matrix that lists the knowledge, experience, capabilities, etc. of Directors and Audit & Supervisory Board Members will be as follows:

	Name	Corporate management	Sustainability (ESG)	Business investment	Finance/Accounting	Human resource management	Legal affairs/ Risk management	Sales/ Marketing	Production/ R&D	International experience	IT/ Digital
Directors	Takahisa Kuno (Male)	•	•	•	•	•		•			
	Hidetoshi Ogami (Male)	•	•	•	•	•		•			•
	Yasushi Kawarasaki (Male)		•						•	•	
	Arata Kobayashi (Male)		•			•	•				
	Masato Saegusa (Male)							•			
	Yoshiharu Okano (Male)			•			•	•		•	
	Isao Yamamoto (Male)	•	•	•	•					•	
	Emi Machida (Female)		•		•		•				
	Naomi Eto (Female)	•	•				•				
Audit & Supervisory Board Members	Katsuhito Oba (Male)						•	•			
	Nobuyuki Watanabe (Male)				•		•				
	Tomotake Kusamichi (Male)						•				
	Sayaka Sumida (Female)				•		•			•	


* The above table does not show the complete set of expertise, etc. possessed by Directors and Audit & Supervisory Board Members (including candidates).

Proposal No. 4: Election of One Substitute Audit & Supervisory Board Member

The Company proposes the election of one substitute Audit & Supervisory Board Member in advance to prepare for cases where the number of Audit & Supervisory Board Members falls below the number required by laws and regulations.

Prior consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

 <p>Tatsuhiko Matsumura</p> <p>Date of birth: March 7, 1962</p> <p>Number of shares of the Company held 0 shares</p>	<ul style="list-style-type: none"> ● Career summary and position <p>April 1990 Registered as an attorney at law (Dai-ichi Tokyo Bar Association) (to present)</p> <p>June 2003 Outside Audit & Supervisory Board Member of Tokyo Steel Manufacturing Co., Ltd.</p> <p>April 2013 Vice-president of Dai-ichi Tokyo Bar Association</p> <p>June 2015 Outside Director (Audit & Supervisory Committee Member) of Tokyo Steel Manufacturing Co., Ltd.</p>
	<ul style="list-style-type: none"> ● Significant concurrent position ● Material conflict of interest with the Company <p>Attorney at law None</p>
<p>[Reasons for nomination as a candidate for substitute Audit & Supervisory Board Member]</p> <p>Mr. Tatsuhiko Matsumura has extensive knowledge and experience in his field of expertise as an attorney at law. He has been nominated as a substitute candidate because the Company would like him to utilize his expertise to improve auditing quality. The Company believes that he can properly fulfill his duties as Outside Audit & Supervisory Board Member with his knowledge and experience to make objective judgments that are unconstrained by the conventional practices of the Company and take into account corporate society as a whole.</p>	

(Notes)

1. Mr. Tatsuhiko Matsumura is a candidate for substitute Audit & Supervisory Board Member.
2. If Mr. Tatsuhiko Matsumura is elected and assumes his office as Audit & Supervisory Board Member, the Company plans to enter into an agreement with him to limit his liability as stipulated in Article 423, Paragraph 1 of the Companies Act, in accordance with the provisions of Article 34 of the Articles of Incorporation of the Company and the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability under this agreement is a predetermined amount no less than ¥5 million or the minimum amount of liability stipulated by laws and regulations, whichever is higher.
3. If Mr. Tatsuhiko Matsumura is elected and assumes his office as Audit & Supervisory Board Member, the Company will register him as an independent auditor required to be retained by Tokyo Stock Exchange, Inc. for the protection of general shareholders.
4. The Company has concluded a directors and officers liability insurance contract with an insurance company. The insurance policy covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. The Company will renew the contract with the same details at the next renewal. Mr. Tatsuhiko Matsumura will be insured under the insurance contract if he assumes his office as Audit & Supervisory Board Member.

<Reference>

Criteria for Independence of Outside Directors and Outside Audit & Supervisory Board Members

Regarding the Company's criteria for the independence of Outside Directors and Outside Audit & Supervisory Board Members, in addition to the requirements for independent officers stipulated by the Tokyo Stock Exchange, an officer is determined to be independent if he or she meets none of the 11 items below:

1. A major shareholder holding 10% or more of the Company's voting rights currently or within the past 5 years (or, if the major shareholder is a legal entity, an officer or employee thereof)
2. An officer or employee of a major client of the Company or its subsidiaries (2% or more of consolidated net sales) in the most recent fiscal year
3. An officer or employee of a company, of which the Company or a subsidiary of the Company is a major supplier (2% or more of the said company's consolidated net sales), in the most recent fiscal year
4. An officer or employee of a major lender to the Company in the most recent fiscal year
5. An executive of any of items 2-4 above within the previous 3 fiscal years, counting from the most recent fiscal year
6. A partner or an employee of an Accounting Auditor of the Company or its subsidiaries currently or within the past 3 years
Otherwise, a partner or an employee of an Accounting Auditor of the Company or its subsidiaries, who was in an auditing role for the Company or the subsidiaries of the Company, within the past 10 years
7. A professional with legal, accounting, or other relevant expertise who received an average of ¥10 million or more in the past 3 years from the Company or the Company's subsidiaries, apart from compensation as an officer
8. An executive of an organization that has received over a certain amount of donations (an average of ¥10 million or more in the past 3 fiscal years, or 30% of the said organization's average annual total expenses, whichever amount is greater) from the Company or the Company's subsidiaries
9. A spouse of, or a relative within the second degree of kinship of, or a relative in cohabitation with a person meeting items 1-8
10. An officer or employee of a corporation to which the Company dispatches officers
11. A spouse of, or a relative within the second degree of kinship of, or a relative in cohabitation with an officer, or a significant employee of the Company or the Company's subsidiaries currently or within the past 5 years

Business Report (April 1, 2022 to March 31, 2023)

Matters Relating to the Current Status of the Group

Business performance and results

In the fiscal year ended March 31, 2023, the global economy saw recovery mainly in the U.S. and Europe, but there are concerns about the risk of recession due to monetary tightening in many countries to curb inflation and disruptions in supply chains caused by the Russian invasion of Ukraine.

The Japanese economy showed signs of gradual recovery due to the lifting of restrictions intended to prevent the spread of COVID-19. On the other hand, there are concerns about deterioration in corporate earnings and weak consumer confidence due to rising prices caused by soaring prices for raw materials and energy.

Within this environment, the Group continues to mobilize its core policy, "Transform ourselves into a corporate group that continuously creates diverse value through customer centricity," in advancing the "Value Up+" medium-term management plan (FY2021-FY2024). This includes accelerating the Group's growth route with the creation of shared values in six priority sectors as the drivers to growth, while leveraging the "Natural Power of Plants" as the basis for value creation. The aim is to sustain growth through cultivation of diverse values to be shared with society.

In addition, the Group has made improving capital efficiency an important goal and has added ROIC as a new management objective since FY2022, making management more conscious of the cost of capital than ever before. To achieve our targets of 8.0% ROE and 4.6% ROIC for FY2024, we have organized in a framework ("Achievement Chart") KPIs and concrete initiatives with four perspectives of "growth," "active investment," "sustainability," and "efficiency" to realize our management targets.

The consolidated financial results for the fiscal year ended March 31, 2023, were as detailed below.

	Fiscal year ended March 31, 2023 (Million yen)	YoY
Net sales	556,565	128.6%
Operating profit	16,186	138.7%
Profit attributable to owners of parent	11,157	129.8%
ROE	7.0%	+1.3P
ROIC	4.5%	+0.4P

Results by segment are as follows.

Overview by segment

<< Oil and Fat >>

(Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	YoY (%)
Net sales	355,026	468,379	131.9%
Operating profit	8,975	14,625	163.0%

In the oil and fat segment, in addition to increasing demand for oils and fats due to global economic recovery from the COVID-19 pandemic, concerns over the supply of raw materials linked to Russia's invasion of Ukraine as well as the ongoing depreciation of the yen against the dollar caused by differences in monetary policy in Japan and the U.S., caused the raw materials prices to rise even further. Such conditions prompted the Group to make thorough efforts to raise productivity and reduce costs, along with the formation of appropriate sales prices. In addition to expanding sales of value-added products, the Company focused on creating new markets and strengthening solution proposals. As a result, both net sales and operating profit increased year on year.

◆ Oil and Meal

Procurement environment of raw materials

In procurement of raw materials, market prices for major raw materials rose over the previous fiscal year. In the dollar-yen market, the yen weakened against the dollar compared to the previous fiscal year. This led to broad increases in both soybean and rapeseed prices from the previous fiscal year.

Market prices of major raw materials

The market price for soybeans rose to a historical high of US\$16-17 per bushel in June, due to uncertain supply in grain, fat and oil caused by Russia's invasion of Ukraine and a drop in soybeans production in South America caused by dry weather. In September and October, prices temporarily declined for a period as a result of the harvest of soybeans in the United States, but prices remained significantly higher compared to the previous fiscal year. This was due to increasing demand for oils and fats against the backdrop of the global movement toward decarbonization as well as the prospect of a decline in production in Argentina.

The market price for rapeseed also continued to chart an all-time high range due to tightening global supply and demand. Uncertainty over the supply of grain, fat and oil with Russia's invasion of Ukraine, as well as delays in planting new crops in Canada as a consequence of the unseasonable weather, prompted further such increases. In April, the price of rapeseed rose to a new record high of C\$1,200 per metric ton and otherwise moved into an elevated pricing range. After July, the price dropped to the C\$800 level due to expectations of a good harvest in Canada and Australia. Overall prices, however, remained significantly higher than in the previous year as a result of higher demand for oils and fats against the backdrop of movement toward decarbonization.

Exchange rates

The yen depreciated against the dollar sharply from March 2022 onward due to the divergence between the monetary policies of Japan and the U.S. and other factors. The yen continued to weaken against the U.S. dollar to the ¥150 level in October due to continued monetary tightening in the U.S. and the expansion of Japan's trade deficit against the backdrop of soaring resource prices. From November, the yen appreciated against the dollar due to expectations for a change in U.S. monetary policy and monetary policy revisions by the Bank of Japan. However, the yen weakened significantly against the U.S. dollar compared to the previous year.

Sales of oil and fat

In commercial-use, initiatives were taken to revise sales price in the midst of soaring raw materials prices. Also, continuous efforts were made to respond to changes in consumer behavior, labor shortages, and rising costs, and to enhance and improve solution proposals through “collaborative-sales-to-identify-needs marketing.” Efforts were likewise made to expand sales through active proposals with value-added products as priority categories, such as “customer-solution-type frying oil” with long-lasting functions, *Nisshin Oil for Steamed-Rice*, and other functional oil and fat. Nevertheless, as demand for food services and tourism have yet to fully recover from the impact of COVID-19, sales volume decreased, but unit sales prices rose, resulting in higher net sales.

For food processing sector as well, net sales were raised with the efforts to advance sales at appropriate prices in view of costs, with the backdrop of price hikes in raw materials.

Sales prices for household-use products were also revised. This was accompanied by ongoing efforts to accelerate sales of value-added products by establishing a solid position for “pour-and-enjoy fresh edible oil” in the market and creating of a “flavored oil” market, among others. As a result, sales volume of supplement-type oil surpassed that in the previous fiscal year. The sales volumes of sesame oil and olive oil were down compared with the previous fiscal year, but the rate of decline was less than that of the market as a whole. In addition, efforts were made to increase sales of strategic products such as *Nisshin Healthy Off*, which curtails the absorption of oil by fried foods. As a result of these developments, net sales increased due to an increase in sales volume and higher sales unit prices in the main categories.

As a result, net sales of oils and fats rose overall, with operating profit also increasing.

Meal sales

As for soybean meal, sales volume increased significantly due to efforts to expand sales in line with the increase in soybean crushing volume against the backdrop of the profitability gap between soybeans and rapeseed. In addition, unit sales prices rose due to higher market prices for key raw materials and the weaker yen against the U.S. dollar, resulting in an increase in net sales.

Sales of rapeseed meal increased, despite a decrease in sales volume due to a decrease in the crushing volume compared to the previous year in an environment of soybean-processing dominance, as sales prices rose due to the impact of higher soybean meal prices and other factors.

◆ Processed Oil and Fat

As for overseas processed oil and fat, the overall sales volume decreased due to Intercontinental Specialty Fats Sdn. Bhd. in Malaysia shifting to sales of high value-added chocolate oils and fats mainly in Europe and reducing the sales volume of commodity products. However, higher sales prices due to soaring palm oil market prices, the increased sales volume of high value-added products, and the impact of a weaker yen against the ringgit resulted in higher net sales and profits.

Intercontinental Specialty Fats (Italy) S.r.l. in Italy reported higher sales and profits mainly due to increased sales volume on the back of the full-scale operation of new production facilities.

In the domestic processed oil and fat sector, despite difficult circumstances of sluggish demand, sales volume increased from the previous year due to the acquisition of new users and the adoption of new products by existing customers. Also, sales prices were revised in stages, resulting in an increase in net sales. An operating loss was recorded due to delays in adjusting sales prices, the soaring cost of palm oil, which is a key raw material, as well as higher costs for the likes of utilities and packaging materials.

At the end of the fiscal year under review, we have examined the possibility of recovering the investments based on the “Accounting Standard for Impairment of Fixed Assets,” and thus recorded a ¥1,332 million impairment loss as an extraordinary loss.

<< Processed Food and Materials >>

(Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	YoY (%)
Net sales	58,185	65,103	111.9%
Operating profit	1,672	533	31.9%

In the processed food and materials segment, although net sales increased due to the impact of sales price revisions and foreign currency translation in overseas subsidiaries, operating profit decreased due to the significant impact of a rise in the cost of sales ratio.

In chocolate products, sales volume of Daito Cacao Co., Ltd. increased year-on-year as a result of efforts to discover new customers amidst delayed recovery in demand for confectionaries. T.&C. Manufacturing Co., Pte. Ltd. of Singapore was affected by the decline in demand for premixed products in Japan, and as a result, sales volume decreased compared to the previous year. Sales volume increased at PT Indoagri Daitocacao of Indonesia, backed by invigorated transaction with new clients, which had been delayed under the impact of COVID-19. Operating profit of the chocolate category as a whole decreased, however, due to the significant impact of a rise in the cost of sales ratio.

In seasonings, in spite of higher sales prices due to price revisions, sales increased but profits declined due to the significant impact of the decrease in sales volume, rise in the cost of sales ratio, and increased SG&A expenses.

In functional materials and foods, the Company worked to expand the size of the market by promoting the launch of MCT (medium-chain triglyceride) products in collaboration with processed food manufacturers. In addition, despite efforts to sell products at appropriate prices in response to rising raw material prices, the impact of the rise in the cost of sales ratio and higher SG&A expenses resulted in higher sales and lower earnings.

In soybean materials and foods, efforts were made to sell products at appropriate prices in response to rising raw material prices. Thus sales increased. Nevertheless, profits decreased, due to the effect of the sale of a consolidated subsidiary in the previous fiscal year, higher raw material prices and other factors.

<< **Fine Chemical** >>

(Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	YoY (%)
Net sales	17,003	20,462	120.3%
Operating profit	1,336	1,385	103.6%

In the fine chemical segment, sales volumes declined mainly in commodity products due to delayed recovery of demand in Japan and overseas, but both sales and operating profit increased as a result of strong sales by subsidiary in Europe and efforts to sell at appropriate prices in response to rising raw material prices.

Due to the effects of the COVID-19 pandemic, fine chemical products' domestic demand and export demand for China have yet to make a full-scale recovery. Thus sales volume was down from the previous year. In contrast, Industrial Química Lasem, S.A.U. of Spain reported significant increases in sales in the European region, especially in cosmetic ingredients. As a result, sales and operating profit increased for fine chemical segment as a whole.

In environment and hygiene-related products, despite a higher sales volume backed by strong demand for alcohol preparations, net sales were unchanged from the previous fiscal year and operating profit declined under the heavy impact of soaring raw materials prices and energy costs.

<< **Other** >>

In the other business segment including information systems, net sales and operating profit increased year on year.

Issues to be addressed

In the global economy, the effects of the COVID-19 pandemic are drawing to a close and the recovery from the pandemic is expected to progress slowly but steadily, with improvements in consumer confidence and greater cross-border movement of people. That said, downside risks such as monetary tightening by the central banks following the rise in the cost of living, geopolitical risks such as the invasion of Ukraine by Russia continuing for an extended period, workforce shortages, price hikes in resources and energy, and ongoing supply chain disruptions are thought to have a major impact on the global economy going forward.

In Japan, the economy is expected to enjoy a gradual recovery due to an increase in overseas travelers visiting Japan and rising demand for eating out and tourism triggered by the Japanese government deciding to lower the classification of COVID-19 to Class 5 under the Infectious Diseases Control Law, special measures and restrictions being terminated, and border control measures being lifted in May 2023. On the other hand, the rising cost of living caused by soaring resource and raw material prices has curbed personal consumption, which could lead to an economic downturn.

Despite anticipating a recovery in production volumes, the Company expects the procurement prices of raw materials such as soybeans, rapeseed, and palm oil, which have a significant impact on the Group, to remain high due to factors such as a recovery from the global COVID-19 pandemic-induced decline in demand, increased biofuel consumption, supply chain disruptions continuing for an extended period, and unreasonable weather in olive oil-producing areas.

Under these business conditions, the Group has formulated "The Nisshin OilliO Group Vision 2030," which highlights its long-term vision and strategic approach. The Group is also implementing "Value Up+," its initial four-year medium-term management plan (FY2021–FY2024) aimed at achieving the goals set out in "The Nisshin OilliO Group Vision 2030." Under this medium-term management plan, the Group is working to execute its strategy and measures to transform itself into a corporate group that continuously creates diverse value through more customer centricity than ever before.

Urgent issues for the Group to address include adding value to the oil and fat market in Japan, strengthening its solutions, establishing and maintaining appropriate sales prices that are commensurate with raw material costs, increasing sales of specialty fats in the global market, and adapting to the recovery to the oil and fat demand and changes in consumer trends in the post-COVID-19 environment. In the medium- to long-term, to grow into a global top provider of oil and fat solutions, the Group is aiming for sustainable growth through the creation of diverse shared values with society by leveraging the "Natural Power of Plants" as the basis for value creation.

Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	9,977	13,036
Notes and accounts receivable - trade	88,200	99,578
Inventories	84,811	106,041
Short-term loans receivable	0	-
Other	18,937	15,104
Allowance for doubtful accounts	(86)	(193)
Total current assets	201,840	233,567
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	31,959	30,819
Machinery, equipment and vehicles, net	36,081	34,635
Land	27,736	27,487
Leased assets, net	1,422	1,508
Right-of-use assets, net	2,478	4,008
Construction in progress	1,551	2,786
Total property, plant and equipment	101,230	101,247
Intangible assets		
Goodwill	227	204
Other	1,443	1,916
Total intangible assets	1,671	2,121
Investments and other assets		
Investment securities	30,393	27,654
Long-term loans receivable	30	25
Retirement benefit asset	5,318	5,931
Deferred tax assets	672	750
Other	3,312	3,132
Allowance for doubtful accounts	(26)	(26)
Total investments and other assets	39,701	37,467
Total non-current assets	142,603	140,836
Deferred assets		
Bond issuance costs	63	49
Total deferred assets	63	49
Total assets	344,506	374,453

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	44,855	51,073
Short-term borrowings	35,370	33,500
Lease liabilities	427	415
Accounts payable - other	14,674	15,217
Accrued expenses	5,331	7,233
Income taxes payable	626	3,327
Provision for bonuses for directors (and other officers)	57	71
Other	4,548	4,806
Total current liabilities	105,891	115,646
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	38,195	52,313
Lease liabilities	3,837	5,593
Deferred tax liabilities	9,039	6,254
Provision for retirement benefits for directors (and other officers)	346	229
Provision for share awards	146	213
Retirement benefit liability	1,949	2,062
Other	785	721
Total non-current liabilities	74,300	87,388
Total liabilities	180,192	203,034
Net assets		
Shareholders' equity		
Share capital	16,332	16,332
Capital surplus	21,665	21,663
Retained earnings	110,379	117,899
Treasury shares	(4,071)	(4,073)
Total shareholders' equity	144,305	151,821
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,715	7,199
Deferred gains or losses on hedges	2,565	349
Foreign currency translation adjustment	1,642	4,213
Remeasurements of defined benefit plans	(1,003)	(1,024)
Total accumulated other comprehensive income	11,919	10,737
Non-controlling interests	8,088	8,859
Total net assets	164,314	171,418
Total liabilities and net assets	344,506	374,453

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	432,778	556,565
Cost of sales	375,791	490,942
Gross profit	56,987	65,622
Selling, general and administrative expenses	45,317	49,436
Operating profit	11,670	16,186
Non-operating income		
Interest income	61	104
Dividend income	378	382
Foreign exchange gains	137	83
Share of profit of entities accounted for using equity method	1,155	404
Other	314	487
Total non-operating income	2,047	1,462
Non-operating expenses		
Interest expenses	536	873
Loss on disposal of inventories	117	141
Other	414	390
Total non-operating expenses	1,068	1,406
Ordinary profit	12,648	16,242
Extraordinary income		
Gain on sale of non-current assets	-	150
Gain on sale of investment securities	890	1,291
Gain on sale of shares of subsidiaries and associates	17	48
Total extraordinary income	908	1,490
Extraordinary losses		
Loss on sale of non-current assets	38	-
Loss on retirement of non-current assets	773	1,077
Impairment losses	615	1,332
Loss on cancellation of business consignment agreement	33	-
Total extraordinary losses	1,462	2,410
Profit before income taxes	12,095	15,323
Income taxes - current	2,510	4,799
Income taxes - deferred	849	(794)
Total income taxes	3,360	4,005
Profit	8,734	11,317
Profit attributable to non-controlling interests	138	160
Profit attributable to owners of parent	8,595	11,157