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Securities code: 8079

January 15, 2024

(Commencement of measures for electronic provision: January 5, 2024)

To Shareholders with Voting Rights,

Ichiro Honda

President and Representative Director

5-7 Akihabara, Taito-ku, Tokyo, Japan

**SHOEI FOODS CORPORATION**

## Notice of the 76th Annual General Meeting of Shareholders

You are cordially invited to attend the 76th Annual General Meeting of Shareholders (the “Meeting”) of SHOEI FOODS CORPORATION (the “Company”). The Meeting will be held as described below.

In convening the Meeting, the Company has taken measures for electronic provision and matters subject to measures for electronic provision are posted as the “Notice of the 76th Annual General Meeting of Shareholders” on the following website.

The Company’s website:

<https://www.shoeifoods.co.jp/english/ir/news>

In addition to the above website, the matters subject to measures for electronic provision are also posted on the website of the Tokyo Stock Exchange (TSE), where you can review the information. Please access the following TSE website (Listed Company Search), enter and search the issue name (company name) or the securities code, then click “Basic information” and select “Documents for public inspection/PR information” and review the information.

Tokyo Stock Exchange website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

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 Reference Documents for the General Meeting of Shareholders included in the matters subject to measures for electronic provision and exercise your voting rights by no later than 5:20 p.m. Japan time, Monday, January 29, 2024, following the instructions on the “Guidance on Exercise of Voting Rights” on page 3 (in Japanese).

- Date and time:** Tuesday, January 30, 2024, at 10 a.m. Japan time
- 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)
- Objectives of the Meeting**  
**Matters to be reported:**
  - The business report and the consolidated financial statements for Term 76 (from November 1, 2022 to October 31, 2023) and the results of audits of the consolidated financial statements by the Accounting Auditor and the Audit & Supervisory Board
  - The non-consolidated financial statements for Term 76 (from November 1, 2022 to October 31, 2023)

**Matters to be resolved:**

**Proposal 1:** Appropriation of Surplus

**Proposal 2:** Election of Eleven (11) Directors

**Proposal 3:** Revision of the Amount of Compensation to Outside Directors

- \* If attending the meeting in person, please present the enclosed Voting Card at the reception desk.
- \* Any amendments to the matters subject to measures for electronic provision will be posted on the websites on which the matters are posted in Japanese.
- \* Among the matters subject to measures for electronic provision, “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 not included in the documents delivered to shareholders pursuant to the provisions of laws and regulations and the Company’s Articles of Incorporation. Thus, the documents constitute a part of the scope of audit by the Accounting Auditor and the Audit & Supervisory Board Members in preparing their respective audit reports.

## 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 76 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 404,219,136 yen
(3)	Effective date of appropriation of surplus	January 31, 2024

**Proposal 2: Election of Eleven (11) Directors**

The term of office of all eleven (11) Directors currently in office will expire at the conclusion of this Meeting. Accordingly, the Company proposes the election of eleven (11) Directors.

The candidates for Directors are as follows:

No.	Name		Current position in the Company
1	Reappointment	Ichiro Honda	President and Representative Director
2	Reappointment	Hidemitsu Honda	Vice President and Representative Director
3	Reappointment	Toyomi Nakajima	Senior Managing Director
4	Reappointment	Hirokane Fujio	Senior Managing Director
5	Reappointment	Kazunori Kano	Director
6	Reappointment	Takeshi Sakaguchi	Director
7	Reappointment	Yasutaka Honda	Director
8	Reappointment	Takashi Kai	Outside Director Independent Officer
9	Reappointment	Takeshi Hashizume	Outside Director Independent Officer
10	Reappointment	Naoko Tanouchi	Outside Director Independent Officer
11	New appointment	Yumiko Toyoda	Outside Director Independent Officer

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
1	<p data-bbox="293 342 461 412">Ichiro Honda (May 15, 1950)</p> <p data-bbox="293 465 461 499">Reappointment</p> <p data-bbox="237 553 528 645">Number of the Company's shares held 488,920 shares</p>	<p data-bbox="544 264 956 293">February 1975    Joined the Company</p> <p data-bbox="544 320 1378 376">January 1988    Director and General Manager, Kansai Branch Office of the Company</p> <p data-bbox="544 398 1118 427">January 1990    Managing Director of the Company</p> <p data-bbox="544 450 1334 506">January 1994    Senior Managing Director and Division Head, Business Management Division of the Company</p> <p data-bbox="544 528 1417 584">January 1998    President and Representative Director of the Company (current position)</p>
	<p data-bbox="225 707 775 736">Reasons for nomination as a candidate for Director</p> <p data-bbox="225 741 1444 857">Mr. Ichiro Honda was appointed as Director of the Company in 1988, and has served as Representative Director since January 1998, demonstrating strong leadership in improving the corporate value of the Group. He has a wealth of experience in the food industry and extensive knowledge of corporate management. Therefore, the Company renominates him as a candidate for Director.</p>	
2	<p data-bbox="264 949 488 1019">Hidemitsu Honda (September 6, 1959)</p> <p data-bbox="293 1072 461 1106">Reappointment</p> <p data-bbox="229 1160 523 1252">Number of the Company's shares held 622,537 shares</p>	<p data-bbox="544 884 956 913">March 1983    Joined the Company</p> <p data-bbox="544 936 1434 965">November 1999    General Manager, Products &amp; Merchandise Div. of the Company</p> <p data-bbox="544 987 1430 1043">January 2000    Director and General Manager, Products &amp; Merchandise Div. of the Company</p> <p data-bbox="544 1066 1378 1122">November 2002    Director and Deputy Head, Sales &amp; Marketing Group of the Company</p> <p data-bbox="544 1144 1426 1200">January 2004    Managing Director and Deputy Head, Sales &amp; Marketing Group of the Company</p> <p data-bbox="544 1223 1195 1252">January 2010    Senior Managing Director of the Company</p> <p data-bbox="544 1274 1378 1330">January 2016    Vice President and Representative Director of the Company (current position)</p>
	<p data-bbox="225 1350 775 1379">Reasons for nomination as a candidate for Director</p> <p data-bbox="225 1384 1444 1500">Mr. Hidemitsu Honda was appointed as Director of the Company in 2000, and has served as Vice President and Representative Director of the Company since January 2016, assisting the President and contributing to the growth and development of the Group. He has a wealth of experience in overseas businesses and extensive knowledge about production areas around the world. Therefore, the Company renominates him as a candidate for Director.</p>	

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	
3	<p data-bbox="268 398 486 465">Toyomi Nakajima (November 3, 1955)</p> <p data-bbox="295 521 459 555"><u>Reappointment</u></p> <p data-bbox="236 611 523 701">Number of the Company's shares held 6,042 shares</p>	<p data-bbox="545 230 694 253">March 1978</p> <p data-bbox="545 286 694 309">June 1998</p> <p data-bbox="545 342 694 365">January 2002</p> <p data-bbox="545 421 694 443">January 2004</p> <p data-bbox="545 499 694 521">January 2007</p> <p data-bbox="545 577 694 600">January 2010</p> <p data-bbox="545 656 694 678">January 2012</p> <p data-bbox="545 734 694 757">January 2016</p> <p data-bbox="545 813 694 835">April 2018</p>	<p data-bbox="730 230 957 253">Joined the Company</p> <p data-bbox="730 286 1348 309">General Manager, Kansai Branch Office of the Company</p> <p data-bbox="730 342 1444 398">Corporate Officer and General Manager, Retail Foods Div. of the Company</p> <p data-bbox="730 421 1444 477">Director and Deputy Head, Sales &amp; Marketing Group and General Manager, Retail Foods Div. of the Company</p> <p data-bbox="730 499 1444 555">President and Representative Director, ShoEi Delicy Corporation (current position)</p> <p data-bbox="730 577 1428 633">Managing Director and Deputy Head, Sales &amp; Marketing Group of the Company</p> <p data-bbox="730 656 1436 712">Managing Director and Head of Sales &amp; Marketing Group of the Company</p> <p data-bbox="730 734 1444 790">Senior Managing Director and Head of Sales &amp; Marketing Group of the Company</p> <p data-bbox="730 813 1428 869">Senior Managing Director and Head of Production Group of the Company (current position)</p> <p data-bbox="226 891 778 913"><b>Reasons for nomination as a candidate for Director</b></p> <p data-bbox="226 925 1444 1104">Since joining the Company, Mr. Toyomi Nakajima has been broadly responsible for the sales divisions, including those related to confectionery ingredients and retail products. He was appointed Director in January 2004 and currently serves as Senior Managing Director in charge of the Production Group, as well as President and Representative Director of ShoEi Delicy Corporation, a consolidated subsidiary of the Company, in charge of the Group's confectionery business. He has a wealth of experience in the Company's business and extensive knowledge of corporate management. Therefore, the Company renominates him as a candidate for Director.</p>
4	<p data-bbox="295 1305 459 1373">Hirokane Fujio (July 26, 1954)</p> <p data-bbox="295 1429 459 1462"><u>Reappointment</u></p> <p data-bbox="236 1518 523 1608">Number of the Company's shares held 6,938 shares</p>	<p data-bbox="545 1126 694 1149">March 1978</p> <p data-bbox="545 1182 694 1205">January 2004</p> <p data-bbox="545 1261 694 1283">January 2006</p> <p data-bbox="545 1339 694 1361">November 2008</p> <p data-bbox="545 1417 694 1440">January 2010</p> <p data-bbox="545 1518 694 1541">August 2010</p> <p data-bbox="545 1630 694 1653">January 2016</p> <p data-bbox="545 1742 694 1765">November 2022</p>	<p data-bbox="730 1126 957 1149">Joined the Company</p> <p data-bbox="730 1182 1428 1238">Corporate Officer and General Manager, Finance &amp; Accounting Div. of the Company</p> <p data-bbox="730 1261 1444 1317">Director and General Manager, Finance &amp; Accounting Div. of the Company</p> <p data-bbox="730 1339 1428 1395">Director and General Manager, Finance &amp; Accounting Div. and General Manager, Affiliated Business Div. of the Company</p> <p data-bbox="730 1417 1428 1496">Managing Director and Head of Administration Group, General Manager of Human Resources &amp; General Affairs Div. and Finance &amp; Accounting Div. of the Company</p> <p data-bbox="730 1518 1444 1608">Managing Director and Head of Administration Group and General Manager of Human Resources &amp; General Affairs Div. of the Company</p> <p data-bbox="730 1630 1444 1720">Senior Managing Director and Head of Administration Group and General Manager of Human Resources &amp; General Affairs Div. of the Company</p> <p data-bbox="730 1742 1428 1798">Senior Managing Director and Head of Administration Group of the Company (current position)</p> <p data-bbox="226 1821 778 1843"><b>Reasons for nomination as a candidate for Director</b></p> <p data-bbox="226 1854 1444 2033">Since joining the Company, Mr. Hirokane Fujio has been mainly in charge of finance &amp; accounting and management planning divisions. He was appointed Director in January 2006 and currently serves as Senior Managing Director in charge of the Administration Group which consists of the Corporate Planning Div., the Human Resources &amp; General Affairs Div., and the Finance &amp; Accounting Div. He has a wealth of experience in the Company's business and extensive knowledge of corporate management. Therefore, the Company renominates him as a candidate for Director.</p>

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	
5	<p data-bbox="295 383 459 454">Kazunori Kano (July 29, 1961)</p> <p data-bbox="295 510 459 539"><u>Reappointment</u></p> <p data-bbox="236 595 518 685">Number of the Company's shares held 1,700 shares</p>	<p data-bbox="547 230 662 259">April 1984</p> <p data-bbox="547 282 662 311">July 2004</p> <p data-bbox="547 356 726 385">November 2009</p> <p data-bbox="547 463 662 492">July 2014</p> <p data-bbox="547 548 694 577">January 2017</p> <p data-bbox="547 622 726 651">November 2020</p> <p data-bbox="547 696 726 725">November 2022</p> <p data-bbox="547 770 726 799">November 2023</p>	<p data-bbox="734 230 1406 259">Joined The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.)</p> <p data-bbox="734 282 1439 342">Deputy General Manager, Los Angeles Branch in the U.S. of The Bank of Tokyo-Mitsubishi, Ltd. (currently MUFG Bank, Ltd.)</p> <p data-bbox="734 365 1439 454">Chief Representative, Istanbul Representative Office in Turkey of The Bank, Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)</p> <p data-bbox="734 477 1358 535">General Manager, Overseas Accounting Dept., Finance &amp; Accounting Div. of the Company</p> <p data-bbox="734 557 1430 616">Director and General Manager, Corporate Planning Office of the Company</p> <p data-bbox="734 638 1406 696">Director and General Manager, Corporate Planning Div. of the Company</p> <p data-bbox="734 719 1382 777">Director and General Manager, Corporate Planning Div. and Human Resources &amp; General Affairs Div. of the Company</p> <p data-bbox="734 799 1406 857">Director and General Manager, Corporate Planning Div. of the Company (current position)</p>
<p data-bbox="228 862 775 891">Reasons for nomination as a candidate for Director</p> <p data-bbox="228 898 1439 1077">Mr. Kazunori Kano has many years of extensive experience at a financial institution. After joining the Company, he was in charge of overseas accounting and planning divisions before being appointed Director in January 2017. Currently, as Director and General Manager of the Management Planning Dept., he is responsible for overall corporate planning operations, including the formulation of corporate management plans and institutional investor relations. The Company expects that he will continue to contribute to the enhancement of the Company's management, and therefore renominates him as a candidate for Director.</p>			
6	<p data-bbox="268 1245 486 1317">Takeshi Sakaguchi (November 8, 1961)</p> <p data-bbox="295 1373 459 1402"><u>Reappointment</u></p> <p data-bbox="236 1458 518 1547">Number of the Company's shares held 2,983 shares</p>	<p data-bbox="547 1097 678 1126">March 1986</p> <p data-bbox="547 1149 726 1178">November 2011</p> <p data-bbox="547 1223 694 1252">January 2014</p> <p data-bbox="547 1274 694 1303">January 2017</p> <p data-bbox="547 1348 694 1377">January 2018</p> <p data-bbox="547 1422 662 1451">April 2018</p> <p data-bbox="547 1496 662 1525">April 2021</p> <p data-bbox="547 1570 726 1599">November 2022</p> <p data-bbox="547 1644 726 1673">November 2023</p>	<p data-bbox="734 1097 954 1126">Joined the Company</p> <p data-bbox="734 1149 1350 1209">Assistant General Manager, Kyushu Branch Office of the Company</p> <p data-bbox="734 1232 1430 1261">General Manager, Confectionery Materials Div. of the Company</p> <p data-bbox="734 1283 1439 1344">Corporate Officer and General Manager, Confectionery Materials Div. of the Company</p> <p data-bbox="734 1366 1422 1424">Director and General Manager, Confectionery Materials Div. of the Company</p> <p data-bbox="734 1447 1430 1505">Director and Deputy Head of Sales &amp; Marketing Group, and General Manager, Confectionery Materials Div. of the Company</p> <p data-bbox="734 1527 1398 1585">Director and Deputy Head of Sales &amp; Marketing Group of the Company</p> <p data-bbox="734 1608 1422 1637">Director and Head of Sales &amp; Marketing Group of the Company</p> <p data-bbox="734 1659 1390 1718">Director and General Manager, Human Resources &amp; General Affairs Div. of the Company (current position)</p>
<p data-bbox="228 1724 775 1753">Reasons for nomination as a candidate for Director</p> <p data-bbox="228 1760 1439 1939">Since joining the Company, Mr. Takeshi Sakaguchi has experienced a wide range of management and sales divisions. After serving as the head of a sales division responsible for major food manufacturers, he was appointed Director of the Company in January 2018. He currently serves as Director and General Manager of the Human Resources &amp; General Affairs Div. Since he has a wealth of experience in the Company's business, the Company expects that he will continue to contribute to the enhancement of the Company's management, and renominates him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	
7	<p data-bbox="288 286 464 353">Yasutaka Honda (July 26, 1982)</p> <p data-bbox="293 409 459 443"><u>Reappointment</u></p> <p data-bbox="233 499 520 589">Number of the Company's shares held 17,390 shares</p>	<p data-bbox="544 230 663 253">April 2005</p> <p data-bbox="544 286 663 309">April 2008</p> <p data-bbox="544 342 663 365">April 2018</p> <p data-bbox="544 398 663 421">April 2021</p> <p data-bbox="544 454 687 477">January 2022</p> <p data-bbox="544 521 719 544">November 2022</p> <p data-bbox="544 600 719 622">November 2023</p>	<p data-bbox="735 230 1010 253">Joined Mitsui &amp; Co., Ltd.</p> <p data-bbox="735 286 954 309">Joined the Company</p> <p data-bbox="735 342 1358 365">General Manager, Kyushu Branch Office of the Company</p> <p data-bbox="735 398 1433 421">General Manager, Confectionery Materials Div. of the Company</p> <p data-bbox="735 454 1406 499">Director in charge of Sales Management Division and General Manager, Confectionery Materials Div. of the Company</p> <p data-bbox="735 521 1401 566">Director and Deputy Head of Sales &amp; Marketing Group of the Company</p> <p data-bbox="735 600 1430 645">Director and Head of Sales &amp; Marketing Group of the Company (current position)</p>
	<p data-bbox="225 678 775 701">Reasons for nomination as a candidate for Director</p> <p data-bbox="225 712 1445 880">Since joining the Company, Mr. Yasutaka Honda has experienced a wide range of sales divisions and product divisions, and also worked for a U.S. subsidiary of the Company. After serving as a general manager of a large branch office, he currently serves as Head of the Sales &amp; Marketing Group at the head office, responsible for overall sales and marketing of the Company. Since he has extensive knowledge of the Company's business as a whole, the Company expects that he will continue to contribute to the enhancement of the Company's management, and therefore renominates him as a candidate for Director.</p>		
8	<p data-bbox="288 913 464 981">Takashi Kai (March 5, 1952)</p> <p data-bbox="293 1037 459 1070"><u>Reappointment</u></p> <p data-bbox="233 1126 520 1216">Number of the Company's shares held - shares</p>	<p data-bbox="544 902 663 925">April 1974</p> <p data-bbox="544 958 679 981">March 2004</p> <p data-bbox="544 1037 679 1059">March 2007</p> <p data-bbox="544 1093 663 1115">June 2012</p> <p data-bbox="544 1149 687 1171">January 2017</p>	<p data-bbox="735 902 1010 925">Joined Mitsui &amp; Co., Ltd.</p> <p data-bbox="735 958 1441 1014">General Manager, Kyushu Food Department, Food Business Unit of the above</p> <p data-bbox="735 1037 1302 1059">Internal Auditor, Internal Auditing Div. of the above</p> <p data-bbox="735 1093 1222 1115">Corporate Auditor of Mitsui &amp; Co. Steel Ltd.</p> <p data-bbox="735 1149 1198 1171">Director of the Company (current position)</p>
	<p data-bbox="225 1252 1070 1274">Reasons for nomination as a candidate for Outside Director and expected roles</p> <p data-bbox="225 1285 1445 1485">Mr. Takashi Kai has a wealth of experience working in Japan and overseas at the food division of a major general trading company. He has been involved in corporate management by serving as an inspector of an internal auditing div. and as Corporate Auditor of a group company, and has deep insight in a wide range of areas. The Company expects that his advice from the perspective of corporate ethics and supervision of the Company's management from an independent standpoint will contribute to the sustainable enhancement of the Company's corporate value. Therefore, the Company renominates him as a candidate for Outside Director. His term of office as Outside Director will be seven (7) years at the conclusion of this General Meeting of Shareholders.</p>		



No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	
9	Takeshi Hashizume (August 11, 1959)  <u>Reappointment</u>  Number of the Company's shares held - shares	April 1983	Joined the Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)
		October 2000	General Manager, Business Development Department of Mizuho Securities Co., Ltd.
		April 2010	Group Manager, Investment Banking & Products Group ("IBPG") of the above
		April 2011	Executive Officer and Group Manager, IBPG of the above
		July 2012	Assistant to President and General Manager, Corporate Strategy Office of YOKOHAMA TOHO Hospital
		March 2016	Deputy Manager of Operations Bureau, The Tokyo Organising Committee of the Olympic and Paralympic Games
		October 2021	Director and General Manager, Corporate Strategy Dept. (CFO) of Lincstech Co., Ltd.
		January 2022	Director of the Company (current position)
October 2022	Managing Director and General Manager, Corporate Planning Headquarters of Lincstech Co., Ltd. (current position)		
<p>Reasons for nomination as a candidate for Outside Director and expected roles</p> <p>Mr. Takeshi Hashizume has a wide range of experience in the financial industry, including involvement in corporate management, having served as Executive Officer of a major securities company. He also has deep knowledge regarding the management and coordination of large-scale organizations through his experience as Deputy Manager of Operations Bureau of the Tokyo Organising Committee of the Olympic and Paralympic Games. He currently participates in the management of another company as Managing Director and General Manager of the Corporate Planning Headquarters. The Company expects that he will provide advice on overall management and supervise the Company's management from an independent standpoint based on his experience. Therefore, the Company renominates him as a candidate for Outside Director. His term of office as Outside Director will be two (2) years at the conclusion of this General Meeting of Shareholders.</p>			
10	Naoko Tanouchi (May 19, 1965)  <u>Reappointment</u>  Number of the Company's shares held - shares	April 1989	Joined Ajinomoto Co., Inc.
		September 1999	Joined McKinsey & Company
		January 2002	Joined Ajinomoto Co., Inc.
		July 2009	Associate General Manager, AminoScience Business Development Dept. of the above
		July 2011	Associate General Manager, Corporate Planning Dept. of the above
		July 2016	Associate General Manager, Internal Auditing Dept. of the above
		June 2019	Corporate Auditor of Ajinomoto Animal Nutrition Group, Inc.
		April 2021	Visiting Professor of Kobe University Graduate School (current position)
January 2022	Director of the Company (current position)		
<p>Reasons for nomination as a candidate for Outside Director and expected roles</p> <p>Ms. Naoko Tanouchi has experienced a wide range of areas, including sales and business strategy planning at a major food manufacturer, as well as M&amp;A and mid-term management planning at the corporate planning divisions. She also has deep insight into internal control and corporate management, having overseen internal audit operations and served as Corporate Auditor at a group company. The Company expects that she will provide advice and supervise the Company from an independent standpoint based on her experience in the areas of group management and business strategy. Therefore, the Company renominates her as a candidate for Outside Director. Her term of office as Outside Director will be two (2) years at the conclusion of this General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	
11	Yumiko Toyoda (November 27, 1964)	April 1988	Joined Yamaichi Securities Co., Ltd.
	<u>New appointment</u>	March 1998	Joined Dentsu Inc. (currently Dentsu Group Inc.)
	Number of the Company's shares held - shares	July 2008	Associate General Manager, Corporate Communication Division of the above
		July 2015	General Manager, Investor Relations Department, Corporate Strategy Division of the above
		October 2018	Chief Communication Officer, Josuikai Inc., General Incorporated Association
Reasons for nomination as a candidate for Outside Director and expected roles Ms. Yumiko Toyoda has experience of having engaged in a wide range of businesses such as capital markets business, preparation for listing shares, investor relations, corporate planning, public relations, and human resource development and cultivation at a major securities company and a major advertising company. Based on her experience, the Company expects that she will provide advice in various fields such as the Company's corporate governance, investor relations activities, and human resource cultivation and supervise its management from an independent standpoint, and therefore proposes that she be newly elected as Outside Director.			

Notes: 1. There are no special relationships of interest between each candidate and the Company.

2. Mr. Takashi Kai, Mr. Takeshi Hashizume, Ms. Naoko Tanouchi, and Ms. Yumiko Toyoda are candidates for Outside Director.

3. Matters that should be reported regarding the candidates for Outside Director are as follows:

(1) Independence of the candidates for Outside Director

- a. If the election of Mr. Takashi Kai 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. Takeshi Hashizume 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.
- c. If the election of Ms. Naoko Tanouchi is approved, the Company intends to designate her as an independent officer, as prescribed in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.
- d. If the election of Ms. Yumiko Toyoda is approved, the Company intends to designate her 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 Directors

The Company has entered into agreements with Mr. Takashi Kai, Mr. Takeshi Hashizume, and Ms. Naoko Tanouchi, candidates for Outside Director, pursuant to Article 427, Paragraph 1 of the Companies Act to limit their liability for damages. The liability for damages based on this agreement is limited to the amount stipulated in laws and regulations.

If the elections of Mr. Takashi Kai, Mr. Takeshi Hashizume, and Ms. Naoko Tanouchi are approved, the Company intends to continue the agreements with them. If the election of Ms. Yumiko Toyoda is approved, the Company intends to enter into the liability limitation agreement with the same content with her.

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 Director will be included as an insured under the insurance contract.

### **Proposal 3: Revision of the Amount of Compensation to Outside Directors**

At the 70th Annual General Meeting of Shareholders held on January 30, 2018, the amount of compensation to the Company's Directors was approved to be not more than 260,000 thousand yen per annum (including not more than 20,000 thousand yen per annum for Outside Directors and excluding the employee salary portion paid to Directors serving concurrently as employees). Having given consideration to subsequent changes in the economic environment, increases in roles and responsibilities expected of Outside Directors from the perspective of stronger corporate governance, and other factors, the Company proposes to revise the amount of compensation to Outside Directors, included in the amount of compensation to Directors, to not more than 36,000 thousand yen per annum. The Company intends to revise only the amount for Outside Directors, with the overall amount for Directors remaining unchanged.

The Company considers this proposal to be reasonable because the following factors, among others, have been taken into account: the Company's business scale, enhanced roles of Outside Directors going forward, the number of Outside Directors, the Company's Officer Compensation Rules, and the policy for determining the amount of compensation, etc. to Directors and Audit & Supervisory Board Members stated in the Business Report.

Additionally, at the 72nd Annual General Meeting of Shareholders held on January 30, 2020, compensation of up to 80,000 thousand yen per annum was approved for granting restricted stock to Directors (excluding Outside Directors), separately from the amount of compensation, etc., described above. The current number of Directors is 11 (including three Outside Directors). If Proposal 2 is approved as proposed, the number of Directors will be 11 (including four Outside Directors).

**(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	○			○			
Hidemitsu Honda		○			○			
Toyomi Nakajima		○			○			○
Hirokane Fujio		○	○	○		○	○	○
Kazunori Kano		○	○	○	○	○	○	○
Takeshi Sakaguchi		○	○			○		
Yasutaka Honda					○			
Takashi Kai		○	○		○	○		
Takeshi Hashizume		○		○	○			
Naoko Tanouchi		○	○	○	○			
Yumiko Toyoda			○		○		○	
Keizo Yoshida	Audit & Supervisory Board Member	○	○	○	○			
Kiyoshi Endo			○	○				
Takashi Aikawa			○	○			○	
Nobuyuki Iijima			○	○			○	

## 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, 2022 to October 31, 2023)

## 1. Current Status of the Corporate Group

### (1) Business activities and results

During the fiscal year under review, the Japanese economy saw slower consumer spending and capital investment despite robust corporate performance, and the economic trend remained uncertain. While business performances in the food industry have been on a recovery trend thanks to the penetration of price hikes reflecting the rising costs of raw materials, the industry is being required to respond to more budget-minded spending patterns of consumers as food prices rise. Under these circumstances, the ShoEi Foods group worked toward achieving appropriate prices by continuing to diversify suppliers and proposing value-added products utilizing the group's production facilities, and also pushed forward with operational reforms through digital transformation and other efforts.

As a result of these efforts, consolidated net sales for the fiscal year under review increased by 6.2% from the previous fiscal year to 109,594 million yen, thanks to an increase in sales of dairy products, oils and fats, confectionery raw materials, and confectionery and retail products in Japan due partly to the price hikes reflecting the rising costs of raw materials and energy, among others.

On the profit front, operating profit increased by 7.6% year on year to 4,034 million yen, ordinary profit increased by 1.0% to 4,137 million yen, and profit attributable to owners of parent increased by 0.7% to 2,809 million yen. This was owing to increased profits in the Japan segment mainly due to the penetration of the price hikes and improved utilization rates of production facilities, as well as strong business in Hong Kong in the China segment, despite a significant year-on-year decrease in profits in the United States segment after a substantial expansion of profits in the walnut business in the United States in the previous fiscal year.

Business performance by division was as follows:

#### <Dairy products, oils and fats>

Sales of dairy products, oils and fats increased to 34,462 million yen (up 7.0% year on year) due to increases in sales of domestic skim milk powder, domestic butter products, imported butter, and other products.

#### <Confectionery ingredients>

Domestic sales of baked confectionery and products for convenience stores, as well as exports of matcha to Hong Kong, increased. As a result, sales of confectionery ingredients were 20,070 million yen (up 10.8% year on year).

#### <Dried and canned fruits>

While sales of walnuts in the U.S. decreased due to lower market prices, sales of almonds, coconuts, and other nuts; raisins and other dried fruits; and raw materials for food service industries in Japan were strong. As a result, sales of dried and canned fruits were 35,760 million yen (up 2.4% year on year).

#### <Confectionery and retail products>

Sales of confectionery products increased thanks to the effect of price hikes. Sales of small packaged nuts and other retail products also increased. As a result, sales of confectionery and retail products were 19,002 million yen (up 7.7% year on year).

## Sales by division

(Million yen)

Business division		Term 75		Term 76	
		From November 1, 2021 to October 31, 2022		From November 1, 2022 to October 31, 2023	
		Net sales	% of total net sales	Net sales	% of total net sales
Food business	Dairy products, oils and fats	32,186	31.2	34,462	31.5
	Confectionery ingredients	18,105	17.6	20,070	18.3
	Dried and canned fruits	34,913	33.8	35,760	32.6
	Confectionery and retail products	17,639	17.1	19,002	17.3
	Others	340	0.3	295	0.3
	Subtotal	103,185	100.0	109,591	100.0
	Others	2	0.0	2	0.0
	Total	103,188	100.0	109,594	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 1,942 million yen on capital investments, which mainly consisted of the purchase mainly of machinery and equipment to expand packaging lines at ShoEi Delicy Corporation and Robinia Corporation, improve packing lines at ShoEi Foods (U.S.A.), Inc., and improve the efficiency of the production equipment and to ensure quality control at other 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**

While restrictions on activities were eased and demand for dining out recovered following the reclassification of COVID-19 to Class 5 (the same level as seasonal influenza), consumers are expected to become more budget-minded due to rising prices. It is likely that people will cook for themselves more often and demand for foods for at-home consumption will increase, driving a shift to products of lower unit prices. Despite the expected slowing of consumer purchasing behavior, we continue to see increasing health awareness, as well as growing consciousness toward safe and reliable foods. In addition, growing interest in environmental issues has prompted the emergence of vegan foods, plant-based foods, and other new trends. Consumption styles have seen increased ethical consumption and there has been an increasing trend in the purchase of fair-trade products and environmentally friendly products. To be able to help propose diverse foods intended to achieve a healthy and rich diet, we will continue to focus on developing products that meet consumer demand and responding to industry needs.

### **(ii) Volatile food ingredient prices**

Prices of imported raw materials and resources have been subject to substantial volatility due to concerns over international affairs such as the conflict in Palestine, following the Ukraine situation; expanding climate change; and significant exchange rate fluctuations. We will strive to secure stable procurement by diversifying and spreading the sources of our products and strengthening cooperative relationships with suppliers.

### **(iii) Progress of digital technology**

Society as a whole has started to actively use artificial intelligence (AI). We need to quickly promote digital transformation of management and sales strategies to address the rise of personnel, logistic, and other costs caused by labor shortages, rising energy prices, and other factors. We will raise the level of digital transformation across our employees and further improve operational efficiency by promoting digital transformation.

### **(iv) Growing interest in sustainability management**

Now society as a whole is expected to engage in sustainability management, with various corporate stakeholders starting to pay attention to sustainability. In line with the three pillars of sustainable economic development, sustainable social development, and sustainable environmental protection, we will formulate medium- to long-term strategies that give consideration to the environment and society, and work toward the achievement of continuous corporate growth. Based on the ShoEi Foods Group Basic Policy on Sustainability, we conduct fair and proper trading with suppliers and aim to build relationships that enable us to prosper together. By working together with various stakeholders to address human rights, working environment, environmental burdens, and other sustainability issues, we aim to contribute to a sustainable society. We also intend to further strengthen our corporate governance system.



## (9) Status of assets and operating results

Category	Term 73 (Fiscal year ended October 31, 2020)	Term 74 (Fiscal year ended October 31, 2021)	Term 75 (Fiscal year ended October 31, 2022)	Term 76 (Fiscal year ended October 31, 2023)
Net sales (Thousand yen)	100,572,710	99,631,156	103,188,411	109,594,493
Ordinary profit (Thousand yen)	4,308,596	4,279,591	4,095,103	4,137,412
Profit attributable to owners of parent (Thousand yen)	2,797,785	2,789,359	2,788,355	2,809,236
Basic earnings per share (Yen)	166.00	165.74	165.63	166.81
Net assets (Thousand yen)	41,152,323	44,352,445	49,158,674	52,035,789
Total assets (Thousand yen)	76,582,973	78,470,319	82,851,870	87,452,478
Net assets per share (Yen)	2,399.00	2,585.44	2,867.08	3,034.45

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

2. The Company has applied the “Accounting Standard for Revenue Recognition” (revised ASBJ Statement No. 29; March 31, 2020 and “Implementation Guidance on Accounting Standard for Revenue Recognition” (revised ASBJ Guidance No. 30, March 26, 2021) from the beginning of Term 75.

## (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
1,516 [675]	Increase of 80

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.	5,792,025
MUFG Bank, Ltd.	5,038,213
The Norinchukin Bank	4,656,613

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

No important matters to be stated.

**2. Status of the Company's Shares**

- |  |  |
|--|--|
| <b>(1) Total number of authorized shares</b>             | 48,585,000 shares  |
| <b>(2) Total number of shares issued and outstanding</b> | 17,100,000 shares (including 257,536 shares of treasury stock) |
| <b>(3) Number of shareholders</b>                        | 24,953   |

**(4) Major shareholders**

Name of shareholder	Number of shares held	Equity ownership
	Thousand shares	%
Shoei Plaza Co., Ltd.	1,613	9.5
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,225	7.2
Honda Kosan Co., Ltd.	1,030	6.1
Shoei Foods Partners Shareholders Association	758	4.5
Hidemitsu Honda	622	3.6
Mizuho Bank, Ltd.	545	3.2
Ichiro Honda	488	2.9
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 (257,536 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)	5,001	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, 2023)**

**(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	Head of Production Group	President and Representative Director, ShoEi Delicy Corporation
Senior Managing Director	Hirokane Fujio	Head of Administration Group	
Director	Kazunori Kano	General Manager, Corporate Planning Div. and Human Resources & General Affairs Div.	
Director	Yasuhiro Maeda	Head of Products & Merchandise Group	
Director	Takeshi Sakaguchi	Head of Sales & Marketing Group	
Director	Yasutaka Honda	Deputy Head of Sales & Marketing Group	
Director	Takashi Kai		
Director	Takeshi Hashizume		Managing Director and General Manager, Corporate Planning Headquarters, Lincstech Co., Ltd.
Director	Naoko Tanouchi		Visiting Professor, Kobe University Graduate School
Standing Audit & Supervisory Board Member	Keizo Yoshida		

Position	Name	Responsibilities	Significant concurrent positions
Audit & Supervisory Board Member	Kiyoshi Endo		Concurrent Lecturer, Faculty of Law, Chuo University Visiting Professor, Graduate School of Law, Toyo University
Audit & Supervisory Board Member	Takashi Aikawa		Executive Partner, Shinsoh Audit Corporation Supervisory Director, TOKYU REIT, Inc.
Audit & Supervisory Board Member	Nobuyuki Iijima		Professor, School of Management, SANNO University Corporate Auditor, HASEKO Corporation

Notes: 1. Directors Takashi Kai, Takeshi Hashizume, and Naoko Tanouchi are Outside Directors.

2. Audit & Supervisory Board Members Kiyoshi Endo, Takashi Aikawa, and Nobuyuki Iijima are Outside Audit & Supervisory Board Members.

3. Nobuyuki Iijima was elected newly as an Audit & Supervisory Board Member at the 75th Annual General Meeting of Shareholders held on January 27, 2023, and took office thereafter.

4. Director Hiroyoshi Inoue retired at the conclusion of the 75th Annual General Meeting of Shareholders held on January 27, 2023, due to resignation.

5. Audit & Supervisory Board Member Shin Tokunaga retired at the conclusion of the 75th Annual General Meeting of Shareholders held on January 27, 2023, due to the expiry of his term of office.

6. 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 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.

Audit & Supervisory Board Member Nobuyuki Iijima is a certified tax accountant and has considerable insight into finance and accounting, with an extensive experience as a tax specialist with the National Tax Agency.

Directors Takashi Kai, Takeshi Hashizume, and Naoko Tanouchi, and Audit & Supervisory Board Members Kiyoshi Endo, Takashi Aikawa, and Nobuyuki Iijima 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 &amp; 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]	200,956 [18,650]	180,650 [18,650]	20,306 [-]	12 [4]
Audit & Supervisory Board Members [of which, Outside Audit & Supervisory Board Members]	31,400 [14,600]	31,400 [14,600]	- [-]	5 [4]
Total	232,356	212,050	20,306	17

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 54,278 thousand yen paid to Directors serving concurrently as employees.

**(4) Matters regarding Outside Directors**

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

Position	Name	Concurrent position held
Director	Takeshi Hashizume	Managing Director and General Manager, Corporate Planning Headquarters, Lincstech Co., Ltd.
Director	Naoko Tanouchi	Visiting Professor, Kobe University Graduate School
Audit & Supervisory Board Member	Kiyoshi Endo	Concurrent Lecturer, Faculty of Law, Chuo University Visiting Professor, Graduate School of Law, Toyo University
Audit & Supervisory Board Member	Takashi Aikawa	Executive Partner, Shinsoh Audit Corporation Supervisory Director, TOKYU REIT, Inc.
Audit & Supervisory Board Member	Nobuyuki Iijima	Professor, School of Management, SANNO University Corporate Auditor, HASEKO Corporation

There are no special relationships between the Company and the above organizations 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.
Director	Takeshi Hashizume	Having attended 12 out of 13 Board of Directors meetings held during the fiscal year under review, 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 13 Board of Directors meetings held during the fiscal year under review, 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	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.
Audit & Supervisory Board Member	Nobuyuki Iijima	Having attended all nine Board of Directors meetings and all nine Audit & Supervisory Board meetings held after his appointment as an Outside Audit & Supervisory Board Member, Nobuyuki Iijima has been giving adequate advice as necessary, based on his extensive experience and knowledge acquired as a tax specialist with the National Tax Agency.

**(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	48,000
b. Total amount of monies and other assets payable by the Company and its subsidiaries to the Accounting Auditor	48,000

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.

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

## Consolidated Balance Sheet

(As of October 31, 2023)

(Thousand yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>56,254,275</b>	<b>Current liabilities</b>	<b>27,191,277</b>
Cash and deposits	12,948,689	Notes and accounts payable – trade	9,905,506
Notes and accounts receivable – trade	21,124,074	Short-term borrowings	9,676,926
Merchandise and finished goods	16,540,262	Current portion of long-term borrowings	2,371,476
Work in process	817,472	Accounts payable – other	2,170,117
Raw materials and supplies	2,746,495	Income taxes payable	769,593
Advance payments to suppliers	848,654	Provision for bonuses	1,015,594
Other	1,232,081	Provision for bonuses for directors (and other officers)	9,300
Allowance for doubtful accounts	(3,454)	Other	1,272,764
<b>Non-current assets</b>	<b>31,198,202</b>	<b>Non-current liabilities</b>	<b>8,225,410</b>
<b>Property, plant and equipment</b>	<b>24,119,465</b>	Long-term borrowings	6,656,657
Buildings and structures	12,977,657	Deferred tax liabilities	358,057
Machinery, equipment and vehicles	6,487,570	Retirement benefit liability	712,584
Tools, furniture and fixtures	336,936	Provision for retirement benefits for directors (and other officers)	96,512
Land	3,596,571	Other	401,599
Leased assets	74,789	<b>Total liabilities</b>	<b>35,416,688</b>
Construction in progress	299,805	<b>Net assets</b>	
Other	346,136	<b>Shareholders' equity</b>	<b>44,890,315</b>
<b>Intangible assets</b>	<b>291,678</b>	<b>Share capital</b>	<b>3,379,736</b>
Software	127,465	<b>Capital surplus</b>	<b>3,059,298</b>
Other	164,213	<b>Retained earnings</b>	<b>39,342,059</b>
<b>Investments and other assets</b>	<b>6,787,057</b>	<b>Treasury shares</b>	<b>(890,779)</b>
Investment securities	4,079,197	<b>Accumulated other comprehensive income</b>	<b>6,217,379</b>
Shares of subsidiaries and affiliates	170,611	<b>Valuation difference on available-for-sale securities</b>	<b>2,053,590</b>
Insurance premium	29,080	<b>Deferred gains or losses on hedges</b>	<b>210,103</b>
Long-term advance account	2,001,528	<b>Foreign currency translation adjustments</b>	<b>3,878,726</b>
Deferred tax assets	197,556	<b>Remeasurements of defined benefit plans</b>	<b>74,958</b>
Other	400,843	<b>Non-controlling interests</b>	<b>928,093</b>
Allowance for doubtful accounts	(91,760)	<b>Total net assets</b>	<b>52,035,789</b>
<b>Total assets</b>	<b>87,452,478</b>	<b>Total liabilities and net assets</b>	<b>87,452,478</b>

## Consolidated Statement of Income

(From November 1, 2022 to October 31, 2023)

(Thousand yen)

Item	Amount	
<b>Net sales</b>		<b>109,594,493</b>
<b>Cost of sales</b>		<b>92,041,689</b>
<b>Gross profit</b>		<b>17,552,803</b>
<b>Selling, general and administrative expenses</b>		<b>13,518,112</b>
<b>Operating profit</b>		<b>4,034,691</b>
<b>Non-operating income</b>		
Interest income	19,849	
Dividend income	85,175	
Share of profit of entities accounted for using equity method	21,498	
Dividends investment	37,022	
Factory attracting bounty	35,091	
Other	67,362	266,000
<b>Non-operating expenses</b>		
Interest expenses	129,118	
Foreign exchange losses	31,129	
Other	3,031	163,279
<b>Ordinary profit</b>		<b>4,137,412</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	3,873	3,873
<b>Extraordinary losses</b>		
Loss on retirement of non-current assets	24,497	
Loss on sale of non-current assets	104	24,602
<b>Profit before income taxes</b>		<b>4,116,683</b>
Income taxes – current	1,266,601	
Income taxes – deferred	59	1,266,661
<b>Profit</b>		<b>2,850,022</b>
Profit attributable to non-controlling interests		40,785
<b>Profit attributable to owners of parent</b>		<b>2,809,236</b>

## Consolidated Statement of Changes in Equity

(From November 1, 2022 to October 31, 2023)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,379,736	3,055,283	37,341,125	(910,568)	42,865,576
Changes during period					
Dividends of surplus			(808,301)		(808,301)
Profit attributable to owners of parent			2,809,236		2,809,236
Purchase of treasury shares				(872)	(872)
Disposal of treasury shares		4,015		20,661	24,676
Net changes in items other than shareholders' equity					—
Total changes during period	—	4,015	2,000,934	19,788	2,024,738
Balance at end of period	3,379,736	3,059,298	39,342,059	(890,779)	44,890,315

	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	1,546,959	422,721	3,548,784	(111,845)	5,406,620	886,477	49,158,674
Changes during period							
Dividends of surplus							(808,301)
Profit attributable to owners of parent							2,809,236
Purchase of treasury shares							(872)
Disposal of treasury shares							24,676
Net changes in items other than shareholders' equity	506,631	(212,617)	329,942	186,803	810,759	41,616	852,376
Total changes during period	506,631	(212,617)	329,942	186,803	810,759	41,616	2,877,114
Balance at end of period	2,053,590	210,103	3,878,726	74,958	6,217,379	928,093	52,035,789

## Non-consolidated Balance Sheet

(As of October 31, 2023)

(Thousand yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>39,817,043</b>	<b>Current liabilities</b>	<b>23,993,203</b>
Cash and deposits	6,962,103	Accounts payable – trade	9,015,840
Notes receivable – trade	744,563	Short-term borrowings	10,492,886
Accounts receivable – trade	16,958,750	Current portion of long-term borrowings	2,220,000
Merchandise	9,449,554	Lease obligations	35,784
Imports in transit	2,545,214	Accounts payable – other	767,342
Advance payments to suppliers	22,797	Accrued expenses	204,101
Short-term loans receivable from subsidiaries and affiliates	2,237,984	Income taxes payable	487,851
Accounts receivable – other	36,086	Deposits received	80,258
Other	861,854	Provision for bonuses	426,000
Allowance for doubtful accounts	(1,865)	Other	263,138
<b>Non-current assets</b>	<b>20,906,682</b>	<b>Non-current liabilities</b>	<b>7,387,831</b>
<b>Property, plant and equipment</b>	<b>11,148,931</b>	Long-term borrowings	6,270,000
Buildings	8,007,478	Leasehold and guarantee deposits received	108,311
Structures	317,455	Lease obligations	46,146
Machinery and equipment	2,637	Deferred tax liabilities	501,290
Vehicles	0	Provision for retirement benefits	230,492
Tools, furniture and fixtures	29,088	Other	231,590
Land	2,717,482		
Leased assets	74,789		
<b>Intangible assets</b>	<b>66,809</b>	<b>Total liabilities</b>	<b>31,381,034</b>
Software	60,133		
Telephone subscription right	6,675	<b>Net assets</b>	
<b>Investments and other assets</b>	<b>9,690,942</b>	<b>Shareholders' equity</b>	<b>27,222,539</b>
Investment securities	3,707,995	<b>Share capital</b>	<b>3,379,736</b>
Shares of subsidiaries and affiliates	3,174,800	<b>Capital surplus</b>	<b>3,055,532</b>
Investments in capital	9,461	Legal capital surplus	3,042,770
Investments in capital of subsidiaries and affiliates	2,538,084	Other capital surplus	12,761
Insurance premium	29,080	<b>Retained earnings</b>	<b>21,678,050</b>
Other	280,445	Legal retained earnings	523,872
Allowance for doubtful accounts	(48,925)	Other retained earnings	21,154,177
		Reserve for tax purpose reduction entry of non-current assets	40,916
		General reserve	11,710,000
		Retained earnings brought forward	9,403,261
		<b>Treasury shares</b>	<b>(890,779)</b>
		<b>Valuation and translation adjustments</b>	<b>2,120,152</b>
		<b>Valuation difference on available-for-sale securities</b>	<b>1,910,048</b>
		<b>Deferred gains or losses on hedges</b>	<b>210,103</b>
		<b>Total net assets</b>	<b>29,342,691</b>
<b>Total assets</b>	<b>60,723,726</b>	<b>Total liabilities and net assets</b>	<b>60,723,726</b>

## Non-consolidated Statement of Income

(From November 1, 2022 to October 31, 2023)

(Thousand yen)

Item	Amount	
<b>Net sales</b>		
Net sales of goods	87,276,026	
Real estate lease revenue	787,608	<b>88,063,635</b>
<b>Cost of sales</b>		
Cost of goods sold	77,140,057	
Cost of real estate lease revenue	605,081	<b>77,745,138</b>
<b>Gross profit</b>		<b>10,318,496</b>
<b>Selling, general and administrative expenses</b>		<b>7,931,787</b>
<b>Operating profit</b>		<b>2,386,709</b>
<b>Non-operating profit</b>		
Interest income	25,706	
Dividend income	507,779	
Commission income	14,481	
Other	31,051	579,019
<b>Non-operating expenses</b>		
Interest expenses	122,150	
Foreign exchange losses	16,578	
Other	2,250	140,979
<b>Ordinary profit</b>		<b>2,824,748</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	169	169
<b>Extraordinary losses</b>		
Loss on valuation of investments in capital of subsidiaries and affiliates	210,460	
Loss on retirement of non-current assets	1,138	211,598
<b>Profit before income taxes</b>		<b>2,613,319</b>
Income taxes – current	844,280	
Income taxes – deferred	(68,564)	775,715
<b>Profit</b>		<b>1,837,604</b>

## Non-Consolidated Statement of Changes in Equity

(From November 1, 2022 to October 31, 2023)

(Thousand yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	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	8,746	3,051,516	523,872	40,916	11,710,000	8,373,959
Changes during period								
Dividends of surplus								(808,301)
Profit								1,837,604
Purchase of treasury shares								
Disposal of treasury shares			4,015	4,015				
Net changes in items other than shareholders' equity								
Total changes during period	—	—	4,015	4,015	—	—	—	1,029,302
Balance at end of period	3,379,736	3,042,770	12,761	3,055,532	523,872	40,916	11,710,000	9,403,261

	Shareholders' equity			Valuation and translation adjustments			Total net assets
	Retained earnings	Treasury shares	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	20,648,747	(910,568)	26,169,433	1,450,058	422,721	1,872,780	28,042,213
Changes during period							
Dividends of surplus	(808,301)		(808,301)				(808,301)
Profit	1,837,604		1,837,604				1,837,604
Purchase of treasury shares		(872)	(872)				(872)
Disposal of treasury shares		20,661	24,676				24,676
Net changes in items other than shareholders' equity				459,990	(212,617)	247,372	247,372
Total changes during period	1,029,302	19,788	1,053,106	459,990	(212,617)	247,372	1,300,478
Balance at end of period	21,678,050	(890,779)	27,222,539	1,910,048	210,103	2,120,152	29,342,691