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Securities code: 8091

June 1, 2023

(Date of commencement of electronic provision measures: May 29, 2023)

To Shareholders with Voting Rights:

Kazuaki Matsumoto
President, Representative Director
NICHIMO CO., LTD.
2-20 Higashi-Shinagawa 2-chome,
Shinagawa-ku, Tokyo, Japan

**NOTICE OF
THE 137th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We hereby inform you that the 137th Annual General Meeting of Shareholders of NICHIMO CO., LTD. (the “Company”) will be held as described below.

When convening this general meeting of shareholders, the Company has taken the electronic provision measures and has posted matters subject to the electronic provision measures as the “Notice of the 137th Annual General Meeting of Shareholders” on each of the following websites.

[The Company website]

<https://www.nichimo.co.jp/english/>

(Please access the Company website above and click on “Investor Relations” on the top menu and then click on “General Meeting of Shareholders” to review the information.)

[Tokyo Stock Exchange (TSE) website (Listed Company Search)]

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

(Please access the TSE website above, enter “NICHIMO” in the “Issue name (company name)” field or our stock exchange code “8091” in the “Code” field, and click on “Search” to find search results. Then, click on “Basic information” and “Documents for public inspection/PR information” in this order to find the matters subject to the electronic provision measures.)

If you do not attend 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, and exercise your voting rights by no later than 5:10 p.m. on Thursday, June 22, 2023, Japan time.

- 1. Date and Time:** Friday, June 23, 2023 at 10:00 a.m. Japan time
*Reception starts at 9:00 a.m. Japan time
- 2. Place:** DIAMOND 30, Shinagawa Prince Hotel, 30th floor of Main Tower
10-30 Takanawa 4-chome, Minato-ku Tokyo, Japan
(Please note that we will hold the meeting in a different venue from that for the previous meeting. Accordingly, we ask you to refer to the “Map to the Venue of the General Meeting of Shareholders” at the end of this document to see the right place.)
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company’s 137th Fiscal Year (April 1, 2022 - March 31, 2023) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
 2. The Non-consolidated Financial Statements for the Company’s 137th Fiscal Year (April 1, 2022 - March 31, 2023)
- Proposal to be resolved:**
- Election of Six (6) Directors (excluding Directors Serving as Audit & Supervisory Committee Member)
- 4. Other Matters Concerning Convocation of the General Meeting of Shareholders**
- (1) If you have exercised your voting rights more than once via the Internet, the last vote will be treated as the valid one.
 - (2) If you have exercised your voting rights both by posting the Voting Rights Exercise Form by mail and via the Internet, only the vote exercised via the Internet, will be treated as the valid one.
 - (3) If you show no indication of approval or disapproval of the proposal on the Voting Rights Exercise Form, we will treat it as an indication of approval.
 - (4) Among the matters subject to the electronic provision measures, the following matters will not be provided in the paper copy to shareholders who made a request for delivery of documents in accordance with the provisions of laws and regulations and Article 15, paragraph (2) of the Articles of Incorporation of the Company. Accordingly, the paper copy to be delivered to shareholders who made a request for delivery of documents constitutes only part of the documents audited by “the Audit & Supervisory Committee Auditor and Accounting in preparation of audit reports.
 - (i) Notes to Consolidated Financial Statements in Consolidated Financial Statements
 - (ii) Notes to Non-consolidated Financial Statements in Non-consolidated Financial Statements

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- ◎ For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.
- ◎ If any revisions to the matters subject to electronic provision measures arise, a notice to that effect and the matters before and after the revision will be posted in Japanese on each of the websites mentioned above.
- ◎ For this Annual General Meeting of Shareholders, the Company sends a paper copy of the matters subject to electronic provision measures to all shareholders regardless of whether or not they made a request for delivery of documents.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal: Election of Six (6) Directors (excluding Directors Serving as Audit & Supervisory Committee Member)

The term of office of the current six (6) Directors (excluding Directors Serving as Audit & Supervisory Committee Member; hereinafter, the same applies in this proposal) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of six (6) Directors is proposed.

With respect to this proposal, the Audit & Supervisory Committee has provided its opinion to the effect that all candidates for Directors are qualified.

The candidates for Directors are as follows.

No .	Name (Date of birth)		Gender	Current positions and responsibilities at the Company	Years served (at conclusion of this Meeting)
1	[Reappointment]	Kazuaki Matsumoto (January 11, 1954)	Male	President, Representative Director	15 years
2	[Reappointment]	Yoshitomo Yageta (January 25, 1952)	Male	Senior Managing Director, Executive Officer, Assistant to the President in charge of overall corporate management	13 years
3	[Reappointment]	Tadayoshi Koremura (December 20, 1955)	Male	Managing Director in charge of food business section	11 years
4	[Reappointment]	Yoshiyuki Tsuchida (January 10, 1961)	Male	Director, Executive Officer, General Manager of Food Business Division	11 years
5	[Reappointment]	Toshihiko Suwabe (March 1, 1960)	Male	Director, Executive Officer, Head of Osaka Branch	3 years
6	[Reappointment]	Shinya Aoki (June 5, 1962)	Male	Director, Executive Officer, General Manager of Marine Business Division	1 year

- Notes: 1. There is no special interest between each candidate for Director and the Company.
2. The Company has entered into a directors and officers liability insurance agreement provided for in Article 430-3, paragraph (1) of the Companies Act with an insurance company to cover damage that could arise due to the insured directors assuming responsibility for the performance of their duties or from claims pertaining to the pursuit of the said responsibility. If this proposal is approved, each candidate for Director will be included in the insured under the policy.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Kazuaki Matsumoto (January 11, 1954) [Reappointment]	April 1976 Joined the Company June 2000 Manager of Food Sales Department 2 April 2002 Head of Fukuoka Branch June 2003 Executive Officer, Manager of Biotics Sales Department April 2007 Executive Officer, Manager of Food Business Department 1 April 2008 Executive Officer, General Manager of Food Business Division June 2008 Director, Executive Officer, General Manager of Food Business Division June 2011 Managing Director, General Manager of Food Business Division June 2014 President, Representative Director (current position)	4,000
<p>[Reason for nomination]</p> <p>Mr. Kazuaki Matsumoto currently serves as President and Representative Director of the Company. We believe that, based on his abundant experience and extensive knowledge as a business manager, Mr. Kazuaki Matsumoto is capable of enhancing the effectiveness of the Company's management and properly executing his duties as Director. Accordingly, we have nominated him as Director of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Yoshitomo Yageta (January 25, 1952) [Reappointment]	<p>April 1975 Joined the Company</p> <p>April 2005 Manager of Finance Department</p> <p>April 2007 Executive Officer, Manager of Finance Department</p> <p>April 2008 Executive Officer, Manager of General Affairs Department and Finance Department</p> <p>April 2009 Executive Officer in charge of administrative section, Manager of Finance Department</p> <p>April 2010 Executive Officer in charge of administrative section, Manager of Corporate Planning Office and Finance Department</p> <p>June 2010 Director, Executive Officer in charge of administrative section, Manager of Corporate Planning Office and Finance Department</p> <p>July 2011 Director, Executive Officer in charge of administrative section, Manager of Finance Department</p> <p>June 2014 Managing Director in charge of administrative section, Manager of Finance Department</p> <p>April 2016 Managing Director in charge of administrative section</p> <p>June 2016 Managing Director in charge of administrative section and group companies</p> <p>January 2017 Managing Director in charge of administrative section and group companies, Manager of Finance Department</p> <p>June 2018 Managing Director in charge of administrative section and group companies, Manager of General Affairs Department and Finance Department</p> <p>October 2019 Managing Director in charge of administrative section and group companies, Manager of General Affairs Department</p> <p>April 2022 Managing Director in charge of administrative section and group companies</p> <p>June 2022 Senior Managing Director, Executive Officer, Assistant to the President in charge of overall corporate management (current position)</p>	4,900
<p>[Reason for nomination]</p> <p>Mr. Yoshitomo Yageta has abundant experience and extensive knowledge gained throughout his career mainly in the administrative section. We thus believe that he is capable of enhancing the effectiveness of the Company's management and appropriately executing his duties as Director. Accordingly, we have nominated him as Director of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Tadayoshi Koremura (December 20, 1955) [Reappointment]	March 1988 Joined the Company	2,900
		April 2007 Head of Fukuoka Branch and Shimonoseki Office	
		April 2010 Executive Officer, Head of Fukuoka Branch and Shimonoseki Office	
		June 2012 Director, Executive Officer, Head of Fukuoka Branch and Shimonoseki Office	
		June 2014 Director, Executive Officer, General Manager of Food Business Division	
		June 2017 Managing Director, General Manager of Food Business Division	
		April 2018 Managing Director in charge of food business section (current position)	
		[Significant concurrent positions] Chairman of the Board, Marukyu Shokuhin Co., Ltd. President and Representative Director, Haneuo Foods Co., Ltd.	
[Reason for nomination] Mr. Tadayoshi Koremura has abundant experience and extensive knowledge gained throughout his career mainly in the food business section. We thus believe that he is capable of enhancing the effectiveness of the Company's management and appropriately executing his duties as Director. Accordingly, we have nominated him as Director of the Company.			
4	Yoshiyuki Tsuchida (January 10, 1961) [Reappointment]	April 1986 Joined the Company	3,800
		June 2003 Manager of Food Sales Department 2	
		April 2007 Head of Osaka Branch	
		April 2010 Executive Officer, Head of Osaka Branch	
		June 2012 Director, Executive Officer, Head of Osaka Branch	
		April 2018 Director, Executive Officer, General Manager of Food Business Division (current position)	
[Reason for nomination] Mr. Yoshiyuki Tsuchida has abundant experience and extensive knowledge gained throughout his career mainly in the food business section. We thus believe that he is capable of appropriately executing his duties as Director. Accordingly, we have nominated him as Director of the Company.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held	
5	Toshihiko Suwabe (March 1, 1960) [Reappointment]	April 1982 April 2002 June 2003 October 2004 April 2007 June 2014 April 2015 April 2018 June 2020	Joined the Company Manager of Food Sales Department 2 Executive Officer, Manager of Food Sales Department 3 Executive Officer in charge of food business section Executive Officer, Manager of Food Business Department 2 Executive Officer, Head of Fukuoka Branch and Shimonoseki Office Executive Officer, Head of Fukuoka Branch Executive Officer, Head of Osaka Branch Director, Executive Officer, Head of Osaka Branch (current position)	1,600
		<p>[Reason for nomination]</p> <p>Mr. Toshihiko Suwabe has abundant experience and extensive knowledge gained throughout his career mainly in the food business section. We thus believe that he is capable of appropriately executing his duties as Director. Accordingly, we have nominated him as Director of the Company.</p>		
6	Shinya Aoki (June 5, 1962) [Reappointment]	April 1985 April 2002 April 2018 April 2020 April 2021 June 2022	Joined the Company Head of Shikoku Office Executive Officer, Head of Fukuoka Branch Executive Officer, General Manager of Materials Business Division Executive Officer, General Manager of Marine Business Division Director, Executive Officer, General Manager of Marine Business Division (current position)	1,200
		<p>[Significant concurrent positions]</p> <p>Director and Chairperson, Nichimo Mariculture Co., Ltd.</p> <p>[Reason for nomination]</p> <p>Mr. Shinya Aoki has abundant experience and extensive knowledge gained throughout his career mainly in the marine business section. We thus believe that he is capable of appropriately executing his duties as Director. Accordingly, we have nominated him as Director of the Company.</p>		

(Reference)

Composition of the Board of Directors upon approval of the Proposal

Name	Areas of expertise/experience expected by the Company						Nomination and Remuneration Advisory Committee member	
	Corporate management	Finance and accounting	Legal affairs and risk management	Sales strategy	Internationality	Sustainability (ESG)		
Director (excluding the Audit & Supervisory Committee Member)	Kazuaki Matsumoto [Reappointment]	●			●	●	●	■
	Yoshitomo Yageta [Reappointment]	●	●	●				
	Tadayoshi Koremura [Reappointment]	●			●	●		
	Yoshiyuki Tsuchida [Reappointment]				●	●		
	Toshihiko Suwabe [Reappointment]				●	●		
	Shinya Aoki [Reappointment]				●		●	
Director (Audit & Supervisory Committee Member)	Toshio Yamamoto			●		●		
	Tatsuya Kikuchi [External] [Independent]	●	●	●				■
	Sunao Hirata [External] [Independent]		●	●			●	■
	Ninjo Akashi [External] [Independent]	●		●	●			■

Business Report

(April 1, 2022–March 31, 2023)

1. Overview of the Corporate Group

(1) Business Progress and Results

In the consolidated fiscal year under review, the Japanese economy continued to recover moderately on the whole amid the continuing impact of COVID-19. Resuming the flow of people thanks to the relaxation of restrictions on movement helped the recovery in demand for service consumption and inbound tourism, boosting the economic environment. However, the economic outlook remained unpredictable because of drastic fluctuations in the external environment caused by rising inflationary pressures, the prolonged Ukraine situation, soaring raw material and energy prices, and rapid yen depreciation.

In such an economic environment, the fishery, seafood processing and distribution and food products industries, which form the operating base of the Nichimo Group (the “Group”), have all struggled under volatile and tough conditions with disruption in the supply chain and rapid fluctuations in raw material prices, including foreign exchange rates, affected by sanctions against Russia, though consumer spending and capital investment grew, especially in the food services industry.

Under such circumstances, the Group, during the first year of its three-year management plan: the “Fiscal 2023 Medium-term Management Plan (Toward the next stage),” has been promoting sales activities through a unified system that is unique to the Group under its management policy, “From Ocean To Dining.”

As a result, net sales for the consolidated fiscal year under review totaled 126,829 million yen (an increase of 11,360 million yen year on year), operating profit stood at 2,874 million yen (a decrease of 326 million yen year on year), and ordinary profit totaled 3,220 million yen (a decrease of 390 million yen year on year).

Recording 539 million yen in extraordinary income and 592 million yen in extraordinary losses, profit attributable to owners of parent totaled 2,437 million yen (a decrease of 317 million yen).

The following is a summary of the business according to segments.

Food Business

In the *surimi* (fish paste) section, sales increased thanks to the growth of sales to fish paste processors on the back of steady production of fish paste in South America. However, operating profit decreased due to the intermittent decline in the market price of *surimi* from the second half of the year. In the fresh frozen seafood products section, we saw a sign of recovery in sales of crabs also in the food services industry thanks to the domestic travel subsidy program. Still, sales and operating profit both decreased, due to the global market decline caused by measures such as the embargo on Russian fishery products in the United States. Both sales and operating profit of frozen fish from northern waters and Pollock roe products rose despite being struggled due to higher logistics costs. This is because sales of the raw material fish, including Atka mackerel and Pacific ocean perch, were favorable, and sales of souvenir products such as *mentaiko* (salted cod roe spiced with red pepper) recovered owing to the resumption of the flow of people. In the processed food products section, both sales and operating profit increased on the back of favorable sales of cultured coho salmon and sushi toppings.

As a result of the above factors, consolidated net sales for the food business totaled 82,907 million yen (an increase of 10,323 million yen year on year), and operating profit totaled 2,170 million yen (a decrease of 88 million yen year on year).

Marine Business

In the fishing net and fishing gear section, although the effects of poor catches continue in Japan, demand for set nets has been on a recovery trend thanks to the good catch of chum salmon in some parts of Hokkaido, and sales of fishing gear materials for government agencies have been firm. Additionally, sales of fishing gear for purse seine nets to China increased amid the yen depreciation, resulting in increased sales and operating profit. In the ship and machinery section, sales increased on the back of solid sales of ship supplies. Still, operating profit decreased due to

absence of orders for fully rigged fishing vessels and large projects of ship equipment. Sales and operating profit for the aquaculture section both increased thanks to favorable sales of eggs and fry, and materials and feed for aquaculture due to steady fish prices, especially salmonid fish.

As a result of the above factors, consolidated net sales for the marine business totaled 20,978 million yen (an increase of 2,563 million yen year on year), and operating profit totaled 617 million yen (an increase of 246 million yen year on year).

Machinery Business

In the machinery business, sales and profits both declined. The Group has endeavored to perform meticulous sales activities to meet the needs generated by a willingness for continuous capital investment and secure orders for new factory projects in the frozen foods industry in Japan. As immigration restrictions were eased and lifted, we facilitated and completed the installation and acceptance inspection of tofu, deli and other processed food plants overseas. The sharp rise in energy prices and fewer large projects compared to the strong proceeding year, however, led to a decrease in sales and operating profit, respectively.

As a result of the above factors, consolidated net sales for the machinery business totaled 11,244 million yen (a decrease of 1,541 million yen year on year), and operating profit totaled 945 million yen (a decrease of 294 million yen year on year).

Materials Business

In the materials business, sales for the chemical products section increased on the back of solid sales of both synthetic resin and packaging materials; however, operating profit declined despite efforts to prepare early for rising prices. Sales and operating profit both increased in the agricultural and livestock materials section thanks to steady sales of vinyl hothouses and other products despite the price hike in fertilizers and materials.

As a result of the above factors, consolidated net sales for the materials business totaled 8,790 million yen (an increase of 40 million yen year on year), and operating profit totaled 437 million yen (a decrease of 18 million yen year on year).

Biotics Business

In the biotics business, sales to medical professionals and through mail order were strong. However, weak sales of AglyMax and ImmuBalance ingredients to leading health food products manufacturers and OEM products to pharmacies resulted in consolidated net sales for the biotics business of 312 million yen (a decrease of 58 million yen year on year) and operating profit of 13 million yen (a decrease of 44 million yen year on year).

Distribution Business

In the distribution business, we have worked hard to improve operational efficiency drastically. However, continued sluggish shipments of confectionery and inflated vehicle-related costs, including soaring fuel prices, affected the results: consolidated net sales for the distribution business declined to 2,489 million yen (an increase of 33 million yen year on year), and operating profit contracted to 46 million yen (a decrease of 58 million yen year on year).

Other Businesses

We are engaged in other businesses, including real-estate leasing and temporary staffing. These businesses recorded consolidated net sales of 107 million yen (a decrease of 1 million yen year on year) and operating profit of 86 million yen (an increase of 10 million yen year on year).

Breakdown of Net Sales and Operating Profit by Business Segment

Business segment	Net sales	Ratio of total sales	Operating profit or loss
Food Business	82,907 <small>Millions of yen</small>	65.37 %	2,170 <small>Millions of yen</small>
Marine Business	20,978	16.54	617
Machinery Business	11,244	8.87	945
Materials Business	8,790	6.93	437
Biotics Business	312	0.25	13
Distribution Business	2,489	1.96	(46)
Other Businesses	107	0.08	86
Subtotal	126,829	100.00	4,225
Other adjustments	–	–	(1,351)
Total	126,829	100.00	2,874

(2) Capital Investments

The total amount of capital investment, etc., conducted during the consolidated fiscal year under review was 1,744 million yen. It primarily includes 148 million yen for constructing the new dormitory at our Mombetsu plant and 888 million yen for expanding the surimi processing facility at the Company's consolidated subsidiary, Yamaichi Suisan Co., Ltd.

(3) Financing

In the fiscal year under review, we raised funds as follows.

- (i) We issued the 10th unsecured straight bond of 2.5 billion yen fully underwritten by MUFG Bank, Ltd. and the 11th unsecured straight bond of 1.0 billion yen fully underwritten by The Norinchukin Bank on September 30, 2022.
- (ii) In order to secure stable access to short-term working capital in the consolidated fiscal year under review, on September 28, 2022, we signed a one-year commitment line agreement for a total of 4.0 billion yen using the syndication method with Sumitomo Mitsui Trust Bank, Limited as the arranger
- (iii) We raised 1,172 million yen upon exercise of the 1st Series of Share Acquisition Rights (with share options subject to exercise value change) for growth investment purposes based on investment policies in the "Fiscal 2023 Medium-term Plan (Toward the Next Stage)".

(4) Issues to Be Addressed

Economic activities are expected to be normalized further as new lifestyles penetrate; Conversely, future prospects remain unclear as we need to respond to prolonged challenges such as labor shortages throughout the supply chain owing to changes in population dynamics in Japan, and rising prices of goods, raw materials, and energy.

Against such a background, to achieve the targets set forth in the three-year management plan:- the "Fiscal 2023 Medium-term Plan (Toward the Next Stage)," the Group continues to materialize the Three Connections, namely Connecting with People, Connecting Businesses, and Connecting to the Future, as the basis of its management policy, "From Ocean To Dining." Also, the plan focuses on the theme of "Sustainable Management" and intends to build a comprehensive support system that encompasses everything from upstream fishing and aquaculture to processing and production, and downstream logistics and sales. The Group contributes to creating rich and health lifestyles and new value by "Opening the way to a sustainable world!"

Specifically, the Group will promote three new businesses as a platformer for providing the wealth of technology, experience, and expertise in the fishery and marine products industries that we have amassed since our founding and merchandise based on them. First, in "commercializing the onshore aquaculture business" across all of our business segments, we completed the onshore aquaculture facility at the end of last year and began growing fish in March this year, and the first

shipments will start this summer. The project is generally progressing as planned, and we are working to keep this project on track. Second, in “commercializing biomass fishing nets,” the Group continues to research and develop efficient fishing gears from the fishermen’s viewpoint and also works to popularize materials made from eco-friendly biodegradable materials. Third, in “establishing a system to secure continued processing and a stable supply of seafood products”, “Okhotsk Nichimo Co., Ltd.,” a production base for crab and scallop, started its operation this April. Together with Yamaichi Suisan Co., Ltd., our surimi processing subsidiary, we contribute to overcoming population decline and vitalizing the local economy in Mombetsu City. We also strive to strengthen sales in our other ongoing businesses in anticipation of ever-growing overseas markets.

We are in the right direction to satisfy the TSE Prime Market criteria to secure our continued listing. Our daily average trading value exceeds the required value and our tradable share market capitalization is improving steadily.

We move forward to achieve the targets of our medium-term management plan, strive for enhanced shareholder engagement, IR activities, and corporate value of the Company.

We ask for the continued support and kind encouragement of all our shareholders.

(5) Trends in Assets and Income

(Millions of yen, unless otherwise specified.)

Item	The 134th fiscal year ended March 31, 2020	The 135th fiscal year ended March 31, 2021	The 136th fiscal year ended March 31, 2022	The 137th fiscal year ended March 31, 2023 (Fiscal year under review)
Net sales	117,900	113,317	115,469	126,829
Operating profit	1,910	2,177	3,201	2,874
Ordinary profit	2,338	2,362	3,611	3,220
Profit or loss attributable to owners of parent	2,365	1,491	2,754	2,437
Net profit or loss per share (Yen)	690.86	434.61	805.16	682.62
Total assets	62,152	65,230	74,863	78,647
Net assets	15,500	17,347	20,066	24,095

Consolidated Balance Sheet

(As of March 31, 2023)

(Millions of yen)

Assets		Liabilities and net assets	
Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	55,152	Current liabilities	37,956
Cash and deposits	7,613	Notes and accounts payable - trade	12,583
Notes receivable - trade	2,977	Short-term borrowings	19,997
Accounts receivable - trade	14,185	Current portion of bonds payable	576
Merchandise and finished goods	24,639	Current portion of long-term borrowings	1,062
Work in process	836	Accounts payable - other	390
Raw materials and supplies	3,472	Contract liabilities	1,871
Advance payments to suppliers	741	Income taxes payable	469
Other	750	Provision for bonuses	508
Allowance for doubtful accounts	(63)	Other	497
Non-current assets	23,373	Non-current liabilities	16,595
Property, plant and equipment	9,885	Bonds payable	5,862
Buildings and structures	3,792	Long-term borrowings	8,526
Machinery, equipment and vehicles	2,502	Deferred tax liabilities	570
Tools, furniture and fixtures	214	Provision for retirement benefits for directors (and other officers)	143
Land	2,938	Provision for share awards for directors (and other officers)	184
Construction in progress	437	Retirement benefit liability	744
Intangible assets	772	Other	563
Other	772	Total liabilities	54,552
Investments and other assets	12,715	(Net assets)	
Investment securities	11,919	Shareholders' equity	20,925
Long-term loans receivable	39	Share capital	5,589
Distressed receivables	899	Retained earnings	16,252
Deferred tax assets	249	Treasury shares	(916)
Other	526	Accumulated other comprehensive income	3,155
Allowance for doubtful accounts	(918)	Valuation difference on available-for-sale securities	2,707
Deferred assets	122	Deferred gains or losses on hedges	(6)
Bond issuance costs	122	Foreign currency translation adjustment	579
		Remeasurement of defined benefit plans	(125)
		Share acquisition rights	2
		Non-controlling interests	12
		Total net assets	24,095
Total assets	78,647	Total liabilities and net assets	78,647

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Consolidated Statement of Income

(April 1, 2022–March 31, 2023)

(Millions of yen)

Item	Amount	
Net sales		126,829
Cost of sales		115,514
Gross profit		11,315
Selling, general and administrative expenses		8,441
Operating profit		2,874
Non-operating income		
Interest income	8	
Dividend income	176	
Share of profit of entities accounted for using equity method	474	
Other	176	836
Non-operating expenses		
Interest expenses	390	
Commission for syndicated loans	8	
Other	90	489
Ordinary profit		3,220
Extraordinary income		
Gain on sale of non-current assets	9	
Gain on sale of investment securities	98	
Subsidy income	302	
Gain on reversal of share acquisition rights	130	539
Extraordinary losses		
Loss on retirement of non-current assets	8	
Loss on tax purpose reduction entry of non-current assets	302	
Loss on valuation of golf club membership	1	
Provision for share awards for directors (and other officers)	258	
Retirement benefit expenses	21	592
Profit before income taxes		3,168
Income taxes-current	1,005	
Income taxes-deferred	(281)	723
Profit		2,444
Profit attributable to non-controlling interests		7
Profit attributable to owners of parent		2,437

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Non-Consolidated Balance Sheet

(As of March 31, 2023)

(Millions of yen)

Assets		Liabilities and net assets	
Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	32,500	Current liabilities	21,022
Cash and deposits	1,977	Notes payable - trade	2,551
Notes receivable - trade	2,564	Accounts payable - trade	4,750
Accounts receivable - trade	7,990	Short-term borrowings	10,200
Merchandise	18,785	Current portion of bonds payable	576
Advance payments to suppliers	843	Current portion of long-term borrowings	760
Short-term loans receivable	20	Accounts payable - other	48
Other	334	Income taxes payable	216
Allowance for doubtful accounts	(13)	Contract liabilities	1,521
		Accrued expenses	66
		Provision for bonuses	278
		Other	52
Non-current assets	17,883	Non-current liabilities	14,700
Property, plant and equipment	3,895	Bonds payable	5,862
Buildings	1,221	Long-term borrowings	6,550
Structures	142	Deferred tax liabilities	679
Machinery and equipment	242	Provision for retirement benefits	413
Vehicles	4	Provision for loss on business of subsidiaries and associates	898
Tools, furniture and fixtures	101	Provision for share awards for directors (and other officers)	184
Land	2,182	Other	112
Intangible assets	742	Total liabilities	35,723
Telephone subscription right	10	(Net assets)	
Other	731	Shareholders' equity	12,321
Investments and other assets	13,245	Share capital	5,589
Investment securities	5,777	Capital surplus	22
Shares of subsidiaries and associates	6,573	Legal capital surplus	22
Long-term loans receivable	634	Retained earnings	7,585
Distressed receivables	744	Legal retained earnings	909
Leasehold deposits	156	Other retained earnings	6,675
Other	121	General reserve	2,700
Allowance for doubtful accounts	(763)	Reserve for tax purpose reduction entry of non-current assets	4
		Retained earnings brought forward	3,971
Deferred assets	122	Treasury shares	(875)
Bond issuance costs	122	Valuation and translation adjustments	2,459
		Valuation difference on available-for-sale securities	2,465
		Deferred gains or losses on hedges	(6)
		Share acquisition rights	2
Total assets	50,506	Total net assets	14,783
		Total liabilities and net assets	50,506

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Non-Consolidated Statement of Income

(April 1, 2022–March 31, 2023)

(Millions of yen)

Item	Amount	
Net sales		72,757
Cost of sales		66,839
Gross profit		5,918
Selling, general and administrative expenses		4,563
Operating profit		1,355
Non-operating income		
Interest income	5	
Dividend income	843	
Other	97	946
Non-operating expenses		
Interest expenses	231	
Commission for syndicated loans	8	
Other	53	293
Ordinary profit		2,007
Extraordinary income		
Gain on sale of non-current assets	1	
Gain on sale of investment securities	98	
Gain on reversal of share acquisition rights	130	229
Extraordinary losses		
Provision for loss on business of subsidiaries and associates	42	
Loss on valuation of golf club membership	1	
Provision for share awards for directors (and other officers)	258	302
Profit before income taxes		1,934
Income taxes-current	502	
Income taxes-deferred	(283)	218
Profit		1,715

Note: Figures presented in the financial statements are rounded down to the nearest million yen.