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Securities code: 8091
June 2, 2022

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 136th 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 136th Annual General Meeting of Shareholders of NICHIMO CO., LTD. (the “Company”) will be held as described below.

If you do not attend the meeting, you can exercise your voting rights in either of the following ways. Please review the Reference Documents for the General Meeting of Shareholders attached below, and exercise your voting rights by no later than 5:10 p.m. on Thursday, June 23, 2022, Japan time.

[To execute your voting rights via postal service]

You are kindly requested to indicate approval or disapproval of the proposals on the Voting Rights Exercise Form enclosed herewith, and return it so that it reaches us no later than the above voting deadline.

[To execute your voting rights via the Internet]

You are kindly requested to enter approval or disapproval of the proposals by accessing the voting website (<https://www.web54.net/>) designated by the Company using the “voting rights exercising code” and the “password” indicated on the Voting Rights Exercise Form enclosed herewith, and following the instructions on the screen.

*** For more details, please read the Guide to Exercising Voting Rights via the Internet, etc.***

- 1. Date and Time:** Friday, June 24, 2022 at 10:00 a.m. Japan time
*Reception starts at 9:00 a.m. Japan time
- 2. Place:** TOP OF THE BAY, Dai-ichi Hotel Tokyo Seafort, 28th floor,
3-15 Higashi-Shinagawa 2-chome, Shinagawa-ku, Tokyo, Japan
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report and Consolidated Financial Statements for the Company’s 136th Fiscal Year (April 1, 2021 - March 31, 2022) 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 136th Fiscal Year (April 1, 2021 - March 31, 2022)

Proposals to be resolved:

- Proposal 1:** Partial Amendments to the Articles of Incorporation
- Proposal 2:** Election of Six (6) Directors (excluding Directors Serving as Audit & Supervisory Committee Member)
- Proposal 3:** Election of Four (4) Directors Serving as Audit & Supervisory Committee Member

Proposal 4: Determining the Amount and Content of Stock Compensation, etc. for Directors

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, etc., 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, etc., only the vote exercised via the Internet, etc. will be treated as the valid one.
- (3) Among the documents which should be provided together with this Notice, the Notes to Consolidated Financial Statements and the Notes to Non-consolidated Financial Statements are made available on the Company's website (<https://www.nichimo.co.jp/>) pursuant to applicable laws and regulations and Article 15 of the Articles of Incorporation of the Company. Accordingly, they are not attached to this Notice.

The Consolidated Financial Statements and Non-Consolidated Financial Statements attached to this Notice are a part of the Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Committee in preparing their audit report.

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- ◎ For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.
 - ◎ Should the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (<https://www.nichimo.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

- (1) Following the enforcement of the Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts, it has become possible for listed companies to hold a General Meeting of Shareholders without a designated location if certain requirements are met, with such stipulations provided in their Articles of Incorporation. Accordingly, a provision to the effect that the Company may hold a General Meeting of Shareholders without a designated location shall be added to Article 12 (Convocation of General Meeting of Shareholders) of the current Articles of Incorporation with the aim of allowing many shareholders to attend the meeting in an easier way, regardless of where they live, and thereby promoting invigoration, efficiency improvement and smoother operation of General Meetings of Shareholders, and at the same time, mitigating risks in the event of large-scale disasters, including contagious diseases and natural disasters.
- (2) The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for the General Meeting of Shareholders, the Articles of Incorporation of the Company shall be amended as follows.
 - (i) The proposed Article 15, Paragraph 1 provides that information contained in the Reference Documents for the General Meeting of Shareholders, etc. shall be provided electronically.
 - (ii) The purpose of proposed Article 15, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
 - (iii) The provisions related to the Internet disclosure and deemed provision of the Reference Documents for the General Meeting of Shareholders, etc. (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
 - (iv) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of the amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendments
CHAPTER I General Provisions Article 1 to Article 5 (Paragraphs omitted)	CHAPTER I General Provisions Article 1 to Article 5 (Paragraphs remain unchanged)
CHAPTER II Shares Article 6 to Article 11 (Paragraphs omitted)	CHAPTER II Shares Article 6 to Article 11 (Paragraphs remain unchanged)
(Convocation of General Meeting of Shareholders)	(Convocation of General Meeting of Shareholders)
Article 12 An Annual General Meeting of Shareholders of the Company shall be convened in June of each year, and an Extraordinary General Meeting of Shareholders shall be convened whenever necessary.	Article 12 An Annual General Meeting of Shareholders of the Company shall be convened in June of each year, and an Extraordinary General Meeting of Shareholders shall be convened whenever necessary. (2) The Company may hold a General Meeting of Shareholders without a designated location. <Paragraph above is added>
Article 13 to Article 14 (Paragraphs omitted)	Article 13 to Article 14 (Paragraphs remain unchanged)
(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.)	
Article 15 The Company may, when convening a General Meeting of Shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.	<Paragraphs on the left column are deleted>

Current Articles of Incorporation	Proposed amendments
<p>Article 16 to Article 39 (Paragraphs omitted)</p> <p>Supplementary provisions</p>	<p>(Measures for Electronic Provision, etc.)</p> <p>Article 15 The Company shall, when convening a General Meeting of Shareholders, provide information contained in the Reference Documents for the General Meeting of Shareholders, etc. electronically.</p> <p>(2) Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</p> <p><Paragraphs above are added></p> <p>Article 16 to Article 39 (Paragraphs remain unchanged)</p> <p>Supplementary provisions (Transitional Measures Concerning Electronic Provision, etc. of Materials for General Meeting of Shareholders)</p> <ol style="list-style-type: none"> 1. The changes in Article 15 of the Articles of Incorporation shall come into effect on September 1, 2022 (hereinafter, the “Effective Date”), which is the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019). 2. Notwithstanding the provisions of the preceding paragraph, Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, etc.) of the current Articles of Incorporation shall remain in force with respect to a General Meeting of Shareholders to be held on a date within six months from the Effective Date.

Current Articles of Incorporation	Proposed amendments
	<p>3. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</p> <p><Paragraphs above are added></p>

Proposal 2: Election of Six (6) Directors (excluding Directors Serving as Audit & Supervisory Committee Member)

The term of office of the current seven (7) 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 Director are qualified.

The candidates for Director 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	14 years
2	[Reappointment]	Yoshitomo Yageta (January 25, 1952)	Male	Managing Director in charge of the administrative section and group companies	12 years
3	[Reappointment]	Tadayoshi Koremura (December 20, 1955)	Male	Managing Director in charge of food business section	10 years
4	[Reappointment]	Yoshiyuki Tsuchida (January 10, 1961)	Male	Director, Executive Officer, General Manager of Food Business Division	10 years
5	[Reappointment]	Toshihiko Suwabe (March 1, 1960)	Male	Director, Executive Officer, Head of Osaka Branch	2 years
6	[New appointment]	Shinya Aoki (June 5, 1962)	Male	Executive Officer, General Manager of Marine Business Division	—

- 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]	<p>April 1976 Joined the Company</p> <p>June 2000 Manager of Food Sales Department 2</p> <p>April 2002 Head of Fukuoka Branch</p> <p>June 2003 Executive Officer, Manager of Biotics Sales Department</p> <p>April 2007 Executive Officer, Manager of Food Business Department 1</p> <p>April 2008 Executive Officer, General Manager of Food Business Division</p> <p>June 2008 Director, Executive Officer, General Manager of Food Business Division</p> <p>June 2011 Managing Director, General Manager of Food Business Division</p> <p>June 2014 President, Representative Director (current position)</p>	3,600
<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 (current position)</p>	4,600
	<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]	<p>March 1988 Joined the Company</p> <p>April 2007 Head of Fukuoka Branch and Shimonoseki Office</p> <p>April 2010 Executive Officer, Head of Fukuoka Branch and Shimonoseki Office</p> <p>June 2012 Director, Executive Officer, Head of Fukuoka Branch and Shimonoseki Office</p> <p>June 2014 Director, Executive Officer, General Manager of Food Business Division</p> <p>June 2017 Managing Director, General Manager of Food Business Division</p> <p>April 2018 Managing Director in charge of food business section (current position)</p> <p>[Significant concurrent positions] Chairman of the Board, Marukyu Shokuhin Co., Ltd. President and Representative Director, Haneuo Foods Co., Ltd.</p>	2,800
<p>[Reason for nomination]</p> <p>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.</p>			
4	Yoshiyuki Tsuchida (January 10, 1961) [Reappointment]	<p>April 1986 Joined the Company</p> <p>June 2003 Manager of Food Sales Department 2</p> <p>April 2007 Head of Osaka Branch</p> <p>April 2010 Executive Officer, Head of Osaka Branch</p> <p>June 2012 Director, Executive Officer, Head of Osaka Branch</p> <p>April 2018 Director, Executive Officer, General Manager of Food Business Division (current position)</p>	3,700
<p>[Reason for nomination]</p> <p>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.</p>			

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]	<p>April 1982 Joined the Company</p> <p>April 2002 Manager of Food Sales Department 2</p> <p>June 2003 Executive Officer, Manager of Food Sales Department 3</p> <p>October 2004 Executive Officer in charge of food business section</p> <p>April 2007 Executive Officer, Manager of Food Business Department 2</p> <p>June 2014 Executive Officer, Head of Fukuoka Branch and Shimonoseki Office</p> <p>April 2015 Executive Officer, Head of Fukuoka Branch</p> <p>April 2018 Executive Officer, Head of Osaka Branch</p> <p>June 2020 Director, Executive Officer, Head of Osaka Branch (current position)</p>	1,400
<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) [New appointment]	<p>April 1985 Joined the Company</p> <p>April 2002 Head of Shikoku Office</p> <p>April 2018 Executive Officer, Head of Fukuoka Branch</p> <p>April 2020 Executive Officer, General Manager of Materials Business Division</p> <p>April 2021 Executive Officer, General Manager of Marine Business Division (current position)</p> <p>[Significant concurrent positions] Director and Chairperson, Nichimo Mariculture Co., Ltd.</p>	1,100
<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>			

Proposal 3: Election of Four (4) Directors Serving as Audit & Supervisory Committee Member

The term of office of the current four (4) Directors Serving as Audit & Supervisory Committee Member will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of four (4) Directors Serving as Audit & Supervisory Committee Member is proposed.

The Audit & Supervisory Committee has previously given its approval to this proposal.

The candidates for Director Serving as Audit & Supervisory Committee Member 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]	Toshio Yamamoto (August 27, 1958)	Male	Director, Audit & Supervisory Committee Member (Standing)	4 years
2	[Reappointment]	Tatsuya Kikuchi (July 15, 1959)	Male	Director, Audit & Supervisory Committee Member (External)	6 years
3	[Reappointment]	Sunao Hirata (April 27, 1955)	Male	Director, Audit & Supervisory Committee Member (External)	4 years
4	[New appointment]	Ninjo Akashi (February 18, 1960)	Male	—	—

- Notes:
1. There is no special interest between each candidate for Director Serving as Audit & Supervisory Committee Member and the Company.
 2. Messrs. Tatsuya Kikuchi, Sunao Hirata, and Ninjo Akashi are candidates for External Director specified in Article 2, Paragraph 3, item (vii) of the Regulations for Enforcement of the Companies Act.
 3. The years served by Messrs. Tatsuya Kikuchi and Sunao Hirata indicate their years of service as Director Serving as Audit & Supervisory Committee Member (External).
 4. Mr. Ninjo Akashi serves as President of Nippon Sokki Co., Ltd., which is a specified related business operator (affiliate company accounted for by the equity-method) of the Company. There are no business or other relationships to be noted between Nippon Sokki Co., Ltd. and the Company.
 5. The Company has, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, entered into liability limitation agreements with Messrs. Tatsuya Kikuchi and Sunao Hirata, respectively. The maximum amount of liability under these agreements will be the amount stipulated by laws and regulations. If this proposal is approved, the Company plans to continue said agreements with them. Likewise, the Company plans to enter into a similar liability limitation agreement with Mr. Ninjo Akashi, if his election is approved.
 6. 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 will be included in the insured under the policy.
 7. The Company has registered Messrs. Tatsuya Kikuchi and Sunao Hirata with the Tokyo Stock Exchange as Independent Officer as prescribed by the Exchange. If this proposal is approved, they will continue to be Independent Officers. Mr. Ninjo Akashi also satisfies the requirements for Independent Officer stipulated by Tokyo Stock Exchange, and if this proposal is approved, he will be a new Independent Officer.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
1	Toshio Yamamoto (August 27, 1958) [Reappointment]	April 1982 April 2004 April 2006 April 2009 June 2018	Joined the Company Manager of Marine Sales Department 2 Manager of Machinery Sales Department Manager of General Affairs Department Director, Audit & Supervisory Committee Member (current position)	2,300
	[Reason for nomination] Mr. Toshio Yamamoto has extensive knowledge gained throughout his many years of work experience at the Company. We thus believe that he is suitable for overseeing legality and appropriateness of the Company’s management. Accordingly, we have nominated him as Director (Audit & Supervisory Committee Member) of the Company.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Tatsuya Kikuchi (July 15, 1959) [Reappointment] [External] [Independent]	<p>April 1984 Joined Asahi Mutual Life Insurance Company</p> <p>April 2011 Executive Officer, Manager of Specialized Department of Sales Planning, Corporate Planning Division</p> <p>April 2014 Executive Officer, Manager of General Affairs and Human Resources Division</p> <p>July 2014 Director, Executive Officer, Manager of General Affairs and Human Resources Division</p> <p>April 2015 Director, Executive Officer in charge of General Affairs Department, Human Resources Department, and Personnel and Administration Department</p> <p>June 2015 External Auditor of the Company</p> <p>April 2016 Director, Managing Executive Officer in charge of General Affairs Department, Human Resources Department, and Personnel and Administration Department, Asahi Mutual Life Insurance Company</p> <p>June 2016 Director, Audit & Supervisory Committee Member of the Company (External) (current position)</p> <p>April 2018 Director, Senior Managing Executive Officer, General Manager of Directorate General for Sales and in charge of Metropolitan Business Enhancement, in charge of Sales Management Department and Sales Staff Enhancement Department, Asahi Mutual Life Insurance Company</p> <p>April 2019 Representative Director, Senior Managing Executive Officer, General Manager of Directorate General for Sales and in charge of Metropolitan Business Enhancement, in charge of Sales Management Department and Sales Staff Enhancement Department</p> <p>April 2021 Director</p> <p>June 2021 Representative Director and President, Info Techno Asahi (current position) Director, Audit & Supervisory Committee Member (External), Rasa Industries, Ltd. (current position)</p> <p>[Significant concurrent positions] Representative Director and President, Info Techno Asahi Director, Audit & Supervisory Committee Member (External), Rasa Industries, Ltd.</p>	4,200
<p>[Reason for nomination as candidate for Outside Director and summary of expected role]</p> <p>Mr. Tatsuya Kikuchi has abundant experience and extensive knowledge as a business manager. Based on such knowledge and experience, we expect him to oversee legality appropriateness of the Company's management and contribute to further enhancement of the Company's corporate governance system. Accordingly, we have nominated him as External Director (Audit & Supervisory Committee Member) of the Company. In addition, the Company expects that he will, if elected, contribute to strengthening of the independence, objectivity, and accountability of the Board of Directors' functions by, for example, properly being involved and appropriately providing advice as a member of the Nomination and Remuneration Advisory Committee.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	<p>Sunao Hirata (April 27, 1955)</p> <p>[Reappointment] [External] [Independent]</p>	<p>April 1979 Joined Dai-Ichi Kangyo Bank, Ltd. (present Mizuho Bank, Ltd.)</p> <p>October 2000 Manager of Gaizenmae Branch</p> <p>April 2005 Manager of Operations Control Department</p> <p>April 2007 Executive Officer, Manager of Operations Service Department</p> <p>June 2008 Managing Executive Officer, Seiwa Building Co., Ltd.</p> <p>July 2010 President and Representative Director, Seiwa Create Co., Ltd.</p> <p>November 2013 President and Representative Director, Mizuho Marketing Experts, Ltd.</p> <p>April 2016 Corporate Auditor, National Agriculture and Food Research Organization (NARO)</p> <p>June 2018 Director, Audit & Supervisory Committee member of the Company (External) (current position)</p> <p>Full-time Corporate Auditor, Chuo Real Estate Co., Ltd.</p> <p>June 2020 Advisor to Chuo Real Estate Co., Ltd.</p> <p>April 2021 Advisor to Chuo-Nittochi Co., Ltd. (current position)</p> <p>[Significant concurrent positions] Advisor to Chuo-Nittochi Co., Ltd.</p>	1,100
	<p>[Reason for nomination as candidate for Outside Director and summary of expected role]</p> <p>Mr. Sunao Hirata has extensive knowledge gained through his many years of work experience at other companies. We expect him to oversee, based on such knowledge, legality and appropriateness of the Company's management and contribute to further enhancement of the Company's corporate governance system. Accordingly, we have nominated him as External Director (Audit & Supervisory Committee Member) of the Company. In addition, the Company expects that he will, if elected, contribute to strengthening of the independence, objectivity, and accountability of the Board of Directors' functions by, for example, properly being involved and appropriately providing advice as a member of the Nomination and Remuneration Advisory Committee.</p>		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	Ninjo Akashi (February 18, 1960) [New appointment] [External] [Independent]	April 1984 Joined Nippon Sokki Co., Ltd. June 2012 Manager of Overseas Sales Department April 2013 Deputy General Manager of Sales Division June 2014 General Manager of Sales Division June 2015 Manager of Nagoya Sales Department June 2016 Director, General Manager of Sales Division and Manager of Tokyo Sales Department June 2018 President and Representative Director (current position) [Significant concurrent positions] President and Representative Director, Nippon Sokki Co., Ltd.	0
	[Reason for nomination as candidate for Outside Director and summary of expected role] <p>Mr. Ninjo Akashi has abundant experience and extensive knowledge as a business manager. We expect him to oversee, based on such experience and knowledge, legality and appropriateness of the Company's management and contribute to further enhancement of the Company's corporate governance system. Accordingly, we have nominated him as External Director (Audit & Supervisory Committee Member) of the Company. In addition, the Company expects that he will, if elected, contribute to strengthening of the independence, objectivity, and accountability of the Board of Directors' functions by, for example, properly being involved and appropriately providing advice as a member of the Nomination and Remuneration Advisory Committee.</p>		

(Reference)

Composition of the Board of Directors upon approval of Proposals 2 and 3

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 [New appointment]				●		●	
Director (Audit & Supervisory Committee Member)	Toshio Yamamoto [Reappointment]			●		●		
	Tatsuya Kikuchi [Reappointment] [External] [Independent]	●	●	●				■
	Sunao Hirata [Reappointment] [External] [Independent]		●	●			●	■
	Ninjo Akashi [New appointment] [External] [Independent]	●		●	●			■

Proposal 4: Determining the Amount and Content of Stock Compensation, etc. for Directors

1. Underlying Reasons for the Proposal and the Corresponding Remuneration System

Remuneration for Directors (excluding Directors Serving as Audit & Supervisory Committee Member) consists of basic remuneration, bonuses, and stock compensation-type share acquisition rights. We would like to ask for approval to abolish the portion of remuneration under the stock compensation-type share acquisition rights and introduce a new stock compensation system with a trust fund (the “system”). We would ask you to entrust the determination of the details of this system up to the Board of Directors within the framework described in 2. below.

The purpose of this system is to further clarify the link between Directors' compensation and the value of the Company shares, and to increase Directors' motivation to improve medium- to long-term corporate performance and corporate value by sharing the same risks and benefits of fluctuating share prices as our shareholders.

This system shall operate outside the upper limit for remuneration (up to 240 million yen per year, excluding salaries for employees) for Directors (excluding Directors Serving as Audit & Supervisory Committee Member) that was approved at the 130th Ordinary General Meeting of Shareholders held on June 29, 2016. The new stock compensation under this system shall be paid to Directors (excluding Directors Serving as Audit & Supervisory Committee Member, and Outside Directors) who serve in office for the three-year period stretching from the day after the end of this Ordinary General Meeting of Shareholders through to the final day of the Ordinary General Meeting of Shareholders to be held in June 2025 (the “target period”) and Directors who have relinquished their unexercised stock compensation-type share acquisition rights as described below.

If the proposal is approved as originally submitted, the remuneration system for Directors (excluding Directors Serving as Audit & Supervisory Committee Member) was approved at the 120th Ordinary General Meeting of Shareholders held on June 29, 2006 relating to stock compensation-type share acquisition rights will be abolished and no new share acquisition rights will be granted as stock compensation-type share acquisition rights thereafter. At the same time, as described below, the Company will ask eligible Directors to relinquish any share acquisition rights that have been granted to them as stock compensation-type share acquisition rights but not exercised. These rights will be extinguished and instead the Company will deliver those Directors shares in the Company based on the system.

The purpose of introducing the system is as described above. This proposal constitutes a necessary and reasonable content for the payment of remuneration, etc. in accordance with the scheduled change of policies. Based on the above, we judge that the content of this proposal is necessary and appropriate.

If Proposal 2: The Election of Six (6) Directors (excluding Directors Serving as Audit & Supervisory Committee Member) is passed as originally submitted, the Company will have six (6) Directors, excluding Directors Serving as Audit & Supervisory Committee Member, and Outside Directors. In addition, there are two (2) Directors (excluding Directors Serving as Audit & Supervisory Committee Member, and Outside Directors) who will retire at the end of this General Meeting of Shareholders and who hold unexercised stock compensation-type share acquisition rights already granted to Directors.

2. Amount and Content of Remuneration, etc. under the System

(1) Overview of the System

The system is a stock compensation system under which a trust established using monies contributed by the Company (the “trust”) acquires the Company shares, and the Company shares corresponding to the number of points granted by the Company to Directors (excluding Directors Serving as Audit & Supervisory Committee Member, and Outside Directors) are delivered to each Director through the trust.

In principle, the Directors are delivered the Company shares when they retire from the position of Director.

① Eligible persons	Directors of the Company (excluding Directors Serving as Audit and Supervisory Committee Member, and Outside Directors)
② Target period	From the day after the closing of this Ordinary General Meeting of Shareholders through to the end of the Ordinary General Meeting of Shareholders to be held in June 2025
③ The maximum amount of money that the Company will contribute as funds for acquiring the necessary Company shares to deliver to (1) eligible persons during the (2) target period	490 million yen in total, including: (i) an amount equivalent to the acquisition of the Company shares equal to the points required as remuneration, etc. for the (2) target period 90 million yen (ii) an amount equivalent to the acquisition of the Company shares equal to the points granted for relinquishing stock compensation-type share acquisition rights 400 million yen
④ Method of acquiring the Company shares	Acquired through the disposal of treasury shares or the acquisition of shares from the stock market (including off-floor trading)
⑤ Maximum total points granted to (1) eligible persons	15,000 points for each business year (However, points for relinquishing stock compensation-type share acquisition rights, up to 99,000 points, will be granted without delay after the trust is established)
⑥ Criteria for granting points	Grant points according to position, etc.
⑦ Timing of delivering the Company shares to (1) eligible persons	In principle, when an eligible person retires

(2) Maximum Amount of Money Contributed by the Company

The initial trust period for the trust will be set at approximately 3 years. As remuneration for Directors, the Company will contribute up to 30 million yen in funds to acquire the necessary Company shares to be delivered to Directors under the system. The trust shall be established to inure to the benefit of its beneficiaries, namely, the Directors who will acquire the beneficiary rights of the trust as described in (3)(iii) below. The trust will acquire the Company shares using

the monies entrusted by the Company either by disposing of the Company's treasury shares or acquiring the Company shares on the stock market (including off-floor trading).

Note 1: In addition to the funds for acquiring the Company shares mentioned above, the Company will also entrust the necessary expenses for trust fees and trust management fees, etc.

Note 2: As described in (3)(i) below, when the system is introduced, we plan to grant points (100 points for each share acquisition right) based on the system on the condition that any unexercised stock compensation-type share acquisition rights already issued to Directors are relinquished by those Directors, and the points granted for that purpose shall be taken into account when calculating the maximum amount of entrusted monies to be used as funds for acquiring the Company shares during the initial target period. The above-mentioned maximum amount will consist of 400 million yen in funds required to acquire the Company shares corresponding to the said points, and a maximum amount of 90 million yen after subtracting that 400 million yen total.

The Board of Directors may decide to continue the system by extending the target period by a period of under five years each time and by extending the trust period of the trust accordingly (this can include effectively extending the trust period by transferring the trust's assets to a new trust established by the Company with the same purpose as the trust; the same applies hereinafter). In that case, the Company will additionally contribute monies in an amount not exceeding the amount obtained by multiplying 30 million yen by the number of years during the extended target period to acquire the additional Company shares required for delivery to Directors under the system during the extended target period, and will continue to grant points and shares as stipulated in (3) below.

Even if the target period is not extended and the system is not continued as described above, if there are some Directors who have not yet retired and have already been granted points when the trust period expires, the trust period of the trust may be extended until those Directors retire and the delivering of Company shares is completed.

(3) Method for Calculating the Company Shares to be Delivered to Directors and the Maximum Number of Shares

(i) Method for granting points to Directors, etc.

The Company will grant points to each Director based on the share allocation regulations determined by the Company's Board of Directors in accordance with the said Director's position, etc. on the date when the points are to be granted during the trust period as stipulated by the share delivery regulations.

However, the total number of points granted by the Company to Directors shall be limited to 15,000 points in each business year.

Separately, when the system is introduced and immediately after the trust is established, we plan to grant points (100 points for each share acquisition right) in exchange for unexercised stock compensation-type share acquisition rights already granted to Directors (total 999 rights), provided each Director relinquishes those rights, under a different category to the maximum number of points mentioned above. (This includes points for the two (2) Directors (excluding Directors Serving as Audit & Supervisory Committee Member, and Outside Directors) set to retire at the end of this General Meeting of Shareholders.)

(ii) Delivering shares that correspond to the number of points granted

Shares in the Company shall be delivered to Directors in accordance with the procedures set out in (iii) below and depending on the number of points granted in (i) above. However, if a

Director resigns for personal reasons, all or part of the points granted by the date shall expire and the Director shall not receive the Company shares for those expired points.

One point will equal one Company share. However, if an event were to occur that is considered reasonable grounds for adjusting the number of shares to be delivered, such as a stock split or reverse stock split, the number of shares per point shall be adjusted using the share split ratio or the reverse share split ratio.

(iii) The delivery of the Company shares to Directors

Each Director shall, in principle, receive the beneficiary rights of the trust after following the prescribed procedures at the time of his/her retirement and, as a beneficiary of the trust, shall receive the Company shares described in (ii) above. (However, the Company shares for any Directors who retire at the end of this Ordinary General Meeting of Shareholders and relinquish any unexercised stock compensation-type share acquisition rights shall be delivered to such Directors without delay after the trust is established).

In some cases, a monetary total may be awarded in lieu of a certain portion of the Company shares after being converted into cash in the trust for the purpose of enabling the Company to withhold funds to pay income taxes withheld at source. In addition, in some cases, a monetary total may be awarded in lieu of the Company shares if the Company shares in the trust are converted into cash when, for example, the Company shares in the trust are settled after applying for a tender offering.

(4) The exercising of voting rights

No voting rights pertaining to the Company shares held in the trust shall be exercised and the trust manager, who is independent from the Company and its officers, shall instruct and secure the same. By not exercising such voting rights, we seek to eliminate a potential impact of exercising such voting rights and to ensure a neutral position of the trust on management of the Company.

(5) The handling of dividends

Dividends relating to the Company' shares held in the trust will be received by the trust and used as funds for acquiring the Company shares and/or covering the trust fees for of the trust's beneficiaries of trust.

Business Report

(April 1, 2021 - March 31, 2022)

1. Overview of the Corporate Group

(1) Business Progress and Results

In the consolidated fiscal year under review, while a state of emergency was intermittently declared in Japan due to re-expansion of infections fueled by new mutated strains of the COVID-19 virus, economic activities in Japan were expected to normalize on the back of expanding vaccinations and we saw some signs of a pickup in consumer spending primarily in service sectors. On the other hand, geopolitical risks, such as US-China frictions and the situation in Ukraine have exacerbated the rise in crude oil and raw materials prices, soaring distribution costs, and supply chain disruptions caused by the COVID-19 pandemic and, along with the uncertainty over future trends of COVID-19 cases in Japan and overseas, the economic outlook remains unclear.

In such an economic environment, the fishery, seafood processing and distribution and food products industries, which form the operating base of the Nichimo Group, have all struggled under tough conditions with repeated declarations of a state of emergency, logistical confusion, changing demand and supply of seafood products in Japan and overseas and subsequent higher purchase prices and costs, and the adverse impact of restricted operating activities on procurement and retail. However, sales of seafood products remained strong as economic activities recovered in the wake of a decreasing number of COVID-19 cases.

Under such circumstances, the Group, during the final year of its three-year management plan: “FY2019 Medium-term Management Plan (Looking towards the Next 100 Years),” made efforts to reinforce cross-business collaboration among its human resources and organizations, while working on sales activities that leverage the Group’s strengths that cover “From Ocean to Dining.

As a result, net sales for the consolidated fiscal year under review totaled 115,469 million yen (an increase of 2,152 million yen year on year), operating profit stood at 3,201 million yen (an increase of 1,023 million yen year on year), and ordinary profit totaled 3,611 million yen (an increase of 1,249 million yen year on year).

Following the recording of 298 million yen in extraordinary income and 131 million yen extraordinary losses, profit attributable to owners of parent totaled 2,754 million yen (an increase of 1,262 million yen).

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

Food Business

In the *surimi* (fish paste) section, sales and operating profit increased on the back of stable catches of fish in Hokkaido and steady production of fish paste in South America. In the fresh frozen seafood products section, sales of crabs to the restaurant and tourism industries remained sluggish, but mail-order sales continued to prove strong and our efforts to ensure efficient purchasing based on trends helped boost both sales and operating profit. Sales of frozen fish from northern waters and Pollock roe products declined in the face of disrupted logistics and other issues overseas, but our efforts to diligently evaluate market trends and focus on profitable sales did result in higher operating profit for the section. In the processed food products section, sales of tuna as well as fillets and dried fish products, and boiled and grilled fish products to mass merchandisers declined compared to buoyant stay-home demand in the previous year. While sales decreased, operating profit increased on the back of favorable sales of cultured coho salmon and sushi toppings. The Accounting Standards for Revenue Recognition were applied to the consolidated fiscal year under review, and it had a considerable impact on recognizing and recording sales from the seafood products processing and selling business, resulting in a decrease in our recorded amount of sales.

As a result of the above factors, consolidated net sales for the food business totaled 72,583 million yen (an increase of 613 million yen year on year) and operating profit totaled 2,259 million yen (an increase of 868 million yen year on year).

Marine Business

In the fishing net and fishing gear section, sales and operating profit both declined on the back of the ongoing impact of weakened appetite for purchasing materials stemming from poor catches off the coast of Hokkaido as well as the impact of weak sales of fishing gear to the government due to

postponement of fishery resource surveys resulting from the persistent number of COVID-19 cases. In the ship and machinery section, sales decreased but operating profit increased on the back of higher sales of shipping supplies despite the continued tough environment surrounding orders for fully rigged fishing vessels and sales of ship equipment. Sales and operating profit for aquaculture section both increased thanks to a year-on-year recovery in sales of farmed fish and materials for aquaculture and continued strong sales of compound feed.

As a result of the above factors, consolidated net sales for the marine totaled 18,414 million yen (an increase of 794 million yen year on year) and operating profit totaled 371 million yen (a decrease of 261 million yen year on year).

Machinery Business

In the machinery business, sales and profits both rose on the back of increased capital investment in food machinery due to continued stay-at-home demand in Japan and labor shortages as well as orders for machinery from a wide range of industries including the fisheries, deli foods, and tofu product industries. Outside of Japan, while restrictions on sales activities and delay in the installation of machinery persisted due to the COVID-19 outbreak, those restrictions were eased than in the previous year and sales and operating profit for that section both rose as a result of winning orders for large projects, such as tofu production facilities for the U.S. market and noodle-making machine equipment for the Taiwanese market.

As a result of the above factors, consolidated net sales for the machinery business totaled 12,785 million yen (an increase of 2,130 million yen year on year) and operating profit totaled 1,239 million yen (an increase of 443 million yen year on year).

Materials Business

In the materials business, operating profit for the chemical products section increased on the back of a gradual recovery in our mainstay sheets for houses and printing film from the previous year's COVID-19-related slump, and continued strong sales of packaging materials. Sales and operating profit also increased in the agricultural and livestock materials section thanks to the ongoing recovery in fertilizers and materials sales. The Accounting Standards for Revenue Recognition were applied to the consolidated fiscal year under review, and it had a considerable impact on recognizing and recording sales from the sheet and film products processing and selling business, resulting in a decrease in our recorded amount of sales.

As a result of the above factors, consolidated net sales for the materials business totaled 8,749 million yen (a decrease of 1,305 million yen year on year) and operating profit totaled 456 million yen (an increase of 123 million yen year on year).

Biotics Business

In the biotics business, strong sales of AglyMax and ImmuBalance ingredients to leading health food products manufacturers and strong sales of OEM products to pharmacies resulted in consolidated net sales for the biotics business of 371 million yen (an increase of 15 million yen year on year) and operating profit of 57 million yen (an increase of 10 million yen year on year).

Distribution Business

In the distribution business, a demand for delivery services decreased due to declining shipments of alcoholic beverages and confectioneries in the wake of intermittent declarations of a state of emergency, etc. in Japan. We also worked hard to improve operational efficiency as soaring fuel prices inflated vehicle-related costs. Despite those efforts, consolidated net sales for the distribution business declined to 2,456 million yen (a decrease of 103 million yen year on year) and operating profit contracted to 11 million yen (a decrease of 26 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 108 million yen (an increase of 6 million yen year on year) and operating profit of 76 million yen (an increase of 9 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	72,583 <small>Millions of yen</small>	62.86 %	2,259 <small>Millions of yen</small>
Marine Business	18,414	15.95	371
Machinery Business	12,785	11.07	1,239
Materials Business	8,749	7.58	456
Biotics Business	371	0.32	57
Distribution Business	2,456	2.13	11
Other Businesses	108	0.09	76
Subtotal	115,469	100.00	4,471
Other adjustments	—	—	(1,270)
Total	115,469	100.00	3,201

(2) Capital Investments

The total amount of capital investment, etc. conducted during the consolidated fiscal year under review was 2,925 million yen. That was comprised primarily of capital investment of 146 million yen in the scallop factory at our Monbetsu plant and 775 million yen to establish the fish meal factory at the Company's consolidated subsidiary, Yamaichi Suisan Co., Ltd.

(3) Financing

In order to secure stable access to short-term working capital in the consolidated fiscal year under review, on September 30, 2021, we signed a three-year commitment line agreement for a total of 8.0 billion yen using the syndication method with Mizuho Bank, Ltd. as the arranger, and, on September 28, 2021, 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.

(4) Issues to Be Addressed

The future outlook is expected to remain uncertain and severe due to a range of factors including a potential resurgence of COVID-19 infections caused by new mutated strains and consequent restrictions on economic activities imposed by declaration of a state of emergency, etc. and a rise in the price of resources that may be further fueled by possibly worsening situation in Ukraine.

Against such a background, the Group has formulated a new three-year plan: The FY2022 Medium-term Plan (Toward the Next Stage). In order to achieve the targets set forth in the plan, we intend to realize connections in each of the three areas, namely, people, operations, and the future, as the basis of our management policy, Creating Value through Connections From Ocean to Dining. The plan also embraces our desire to promote sustainable management by strictly managing fishery resources, protecting marine ecosystems, and responding to growing demand for seafood products in order to chart a new course towards a sustainable society and a bright future for the Group.

Specifically, we will continue to promote initiatives that are motivated by a keen SDGs perspective and that utilize the wealth of technology, experience, and expertise in the fishery and marine products industries that we have amassed since our founding. Those initiatives include the promotion of Kyushu's largest environment-conscious onshore salmon aquaculture business across all of our business segments, the practical use of biomass fishing nets that help reduce the volume of marine waste and CO₂ emissions in our marine business segment, and the large-scale investment in our manufacturing subsidiaries in Hokkaido to establish a system for our food business segment to secure continued processing and a stable supply of seafood products. We will also strive to strengthen sales in our other ongoing businesses as well in anticipation of ever-growing overseas markets, and to create rich and health lifestyles and new value.

The Company moved to the Tokyo Prime Market on April 4, 2022. To ensure we comply with the listing maintenance standards, we aim to achieve the targets set forth in our new three-year management plan and to further enhance our corporate value through capital policies and wider IR activities to increase shareholder engagement.

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 133rd fiscal year ended March 31, 2019	The 134th fiscal year ended March 31, 2020	The 135th fiscal year ended March 31, 2021	The 136th fiscal year ended March 31, 2022 (Fiscal year under review)
Net sales	128,778	117,900	113,317	115,469
Operating profit	2,424	1,910	2,177	3,201
Ordinary profit	2,275	2,338	2,362	3,611
Profit or loss attributable to owners of parent	(2,689)	2,365	1,491	2,754
Net profit or loss per share (Yen)	(790.04)	690.86	434.61	805.16
Total assets	65,051	62,152	65,230	74,863
Net assets	14,803	15,500	17,347	20,066

Consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

Assets		Liabilities and net assets	
Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	53,017	Current liabilities	42,665
Cash and deposits	6,153	Notes and accounts payable - trade	13,378
Notes receivable - trade	3,226	Short-term borrowings	21,437
Accounts receivable - trade	15,308	Current portion of bonds payable	2,348
Merchandise and finished goods	22,257	Current portion of long-term borrowings	870
Work in process	1,031	Accounts payable - other	456
Raw materials and supplies	3,218	Contract liabilities	2,314
Advance payments to suppliers	709	Income taxes payable	828
Other	1,170	Provision for bonuses	501
Allowance for doubtful accounts	(57)	Other	531
Non-current assets	21,790	Non-current liabilities	12,132
Property, plant and equipment	9,275	Bonds payable	3,052
Buildings and structures	2,850	Long-term borrowings	6,954
Machinery, equipment and vehicles	2,345	Long-term accounts payable - other	18
Tools, furniture and fixtures	216	Deferred tax liabilities	703
Land	2,848	Provision for retirement benefits for directors (and other officers)	179
Construction in progress	1,013	Retirement benefit liability	696
		Other	528
Intangible assets	725	Total liabilities	54,797
Goodwill	21		
Other	703		
		(Net assets)	
Investments and other assets	11,790	Shareholders' equity	17,713
Investment securities	11,008	Share capital	4,411
Long-term loans receivable	42	Retained earnings	14,307
Distressed receivables	975	Treasury shares	(1,005)
Long-term time deposits	77		
Deferred tax assets	221		
Other	458	Accumulated other comprehensive income	2,214
Allowance for doubtful accounts	(993)	Valuation difference on available-for-sale securities	2,268

Assets		Liabilities and net assets	
Item	Amount	Item	Amount
		Deferred gains or losses on hedges	49
		Foreign currency translation adjustment	7
		Remeasurements of defined benefit plans	(111)
Deferred assets	55	Share acquisition rights	130
Bond issuance costs	55	Non-controlling interests	7
		Total net assets	20,066
Total assets	74,863	Total liabilities and net assets	74,863

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

Consolidated Statement of Income

(April 1, 2021 - March 31, 2022)

(Millions of yen)

Item	Amount	
Net sales		115,469
Cost of sales		104,149
Gross profit		11,319
Selling, general and administrative expenses		8,118
Operating profit		3,201
Non-operating income		
Interest income	5	
Dividend income	183	
Share of profit of entities accounted for using equity method	523	
Other	154	866
Non-operating expenses		
Interest expenses	306	
Commission for syndicated loans	60	
Other	89	456
Ordinary profit		3,611
Extraordinary income		
Gain on sale of non-current assets	40	
Gain on sale of investment securities	0	
Gain on sale of shares of subsidiaries and associates	149	
Subsidy income	108	298
Extraordinary losses		
Loss on retirement of non-current assets	20	
Loss on tax purpose reduction entry of non-current assets	108	
Loss on sale of investment securities	1	131
Profit before income taxes		3,778
Income taxes-current	1,023	
Income taxes-deferred	(3)	1,020
Profit		2,758
Profit attributable to non-controlling interests		3
Profit attributable to owners of parent		2,754

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

Non-Consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

Assets		Liabilities and net assets	
Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	32,268	Current liabilities	25,722
Cash and deposits	1,690	Notes payable - trade	3,433
Notes receivable - trade	2,874	Accounts payable - trade	5,259
Accounts receivable - trade	8,517	Short-term borrowings	11,390
Merchandise	17,366	Current portion of bonds payable	2,348
Advance payments to suppliers	615	Current portion of long-term borrowings	660
Other	1,218	Accounts payable - other	81
Allowance for doubtful accounts	(14)	Income taxes payable	683
		Contract liabilities	1,474
		Accrued expenses	42
		Provision for bonuses	281
		Other	67
Non-current assets	17,141	Non-current liabilities	11,707
Property, plant and equipment	3,761	Bonds payable	3,052
Buildings	1,123	Long-term borrowings	6,410
Structures	43	Long-term accounts payable - other	18
Machinery and equipment	297	Deferred tax liabilities	803
Vehicles	5	Provision for retirement benefits	456
Tools, furniture and fixtures	107	Provision for loss on business of subsidiaries and associates	856
Land	2,182	Other	111
		Total liabilities	37,429
Intangible assets	678	(Net assets)	
Telephone subscription right	10	Shareholders' equity	9,800
Other	667	Share capital	4,411
		Capital surplus	22
Investments and other assets	12,701	Legal capital surplus	22
Investment securities	5,219	Retained earnings	6,361
Shares of subsidiaries and associates	6,573	Legal retained earnings	864
Long-term loans receivable	635	Other retained earnings	5,497
Distressed receivables	755	General reserve	2,700
		Reserve for tax purpose reduction entry of non-current assets	4
Leasehold deposits	155	Retained earnings brought	2,793
Other	136		

Assets		Liabilities and net assets	
Item	Amount	Item	Amount
		forward	
Allowance for doubtful accounts	(775)	Treasury shares	(994)
		Valuation and translation adjustments	2,103
		Valuation difference on available- for-sale securities	2,054
		Deferred gains or losses on hedges	49
Deferred assets	55	Share acquisition rights	130
Bond issuance costs	55	Total net assets	12,035
Total assets	49,464	Total liabilities and net assets	49,464

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

Non-Consolidated Statement of Income

(April 1, 2021 - March 31, 2022)

(Millions of yen)

Item	Amount
Net sales	67,274
Cost of sales	61,309
Gross profit	5,965
Selling, general and administrative expenses	4,392
Operating profit	1,572
Non-operating income	
Interest income	4
Dividend income	673
Other	109
	787
Non-operating expenses	
Interest expenses	214
Commission for syndicated loans	60
Other	39
	314
Ordinary profit	2,044
Extraordinary income	
Gain on sale of non-current assets	4
Gain on sale of investment securities	0
	5
Extraordinary losses	
Loss on sale of investment securities	1
Provision for loss on business of subsidiaries and associates	12
	13
Profit before income taxes	2,035
Income taxes-current	442
Income taxes-deferred	66
	509
Profit	1,526

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