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Consolidated Financial Results for the Fiscal Year Ended October 31, 2025 [Japanese GAAP]



December 12, 2025

Company name: SHOEI FOODS CORPORATION

Stock exchange listing: Tokyo Stock Exchange

Code number: 8079

URL: <https://www.shoeifoods.co.jp/english>

Representative: Hidemitsu Honda, President and Representative Director

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Scheduled date of annual general meeting of shareholders: January 29, 2026

Scheduled date of commencing dividend payments: January 30, 2026

Scheduled date of filing annual securities report: January 28, 2026

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended October 31, 2025 (November 1, 2024 – October 31, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended October 31, 2025	124,897	8.4	4,942	2.0	4,992	0.8	3,035	(4.2)
October 31, 2024	115,208	5.1	4,844	20.0	4,950	19.6	3,170	12.8

(Note) Comprehensive income: Fiscal year ended October 31, 2025: 3,797 million yen [28.9%]

Fiscal year ended October 31, 2024: 2,944 million yen [(19.7)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended October 31, 2025	181.31	—	5.6	5.3	3.9
October 31, 2024	188.18	—	6.0	5.5	4.2

(Reference) Share of profit of entities accounted for using equity method:

Fiscal year ended October 31, 2025: 26 million yen

Fiscal year ended October 31, 2024: 24 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of October 31, 2025	96,586	55,931	56.7	3,308.20
As of October 31, 2024	89,905	54,169	59.1	3,155.95

(Reference) Equity: As of October 31, 2025: 54,828 million yen

As of October 31, 2024: 53,169 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
October 31, 2025	(610)	(1,856)	2,617	11,505
October 31, 2024	3,085	(2,626)	(2,081)	11,194

2. Dividends

	Annual dividends					Total dividends	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter- end	2nd quarter- end	3rd quarter- end	Year- end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
October 31, 2024	—	25.00	—	25.00	50.00	842	26.5	1.6
October 31, 2025	—	30.00	—	30.00	60.00	1,002	33.0	1.8
Fiscal year ending October 31, 2026 (Forecast)	—	45.00	—	45.00	90.00		—	

3. Consolidated Financial Results Forecasts for the Fiscal Year Ending October 31, 2026 (November 1, 2025 – October 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
First half	68,000	3.3	3,000	2.9	3,030	2.9	1,900	113.47
Full year	130,000	4.0	5,100	3.1	5,150	3.1	3,400	203.06

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period under review: None
 Newly included: – companies (Company name)
 Excluded: – companies (Company name)
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 1) Changes in accounting policies due to the revision of accounting standards: Yes
 2) Changes in accounting policies other than 1) above: None
 3) Changes in accounting estimates: None
 4) Retrospective restatement: None
- (3) Total number of issued shares (common shares)
 1) Total number of issued shares at the end of the period (including treasury shares):
 October 31, 2025: 17,100,000 shares
 October 31, 2024: 17,100,000 shares
- 2) Total number of treasury shares at the end of the period:
 October 31, 2025: 526,629 shares
 October 31, 2024: 252,565 shares
- 3) Average number of shares during the period:
 Fiscal year ended October 31, 2025: 16,743,405 shares
 Fiscal year ended October 31, 2024: 16,845,536 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended October 31, 2025 (November 1, 2024 – October 31, 2025)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
October 31, 2025	97,212	7.3	2,281	(16.7)	2,887	(12.5)	1,990	(17.0)
October 31, 2024	90,558	2.8	2,741	14.8	3,302	16.9	2,399	30.6

	Basic earnings per share	Diluted earnings per share
Year ended	Yen	Yen
October 31, 2025	118.89	–
October 31, 2024	142.46	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of October 31, 2025	65,991	31,070	47.0	1,874.75
As of October 31, 2024	62,470	31,076	49.7	1,844.58

(Reference) Equity: As of October 31, 2025: 31,070 million yen

As of October 31, 2024: 31,076 million yen

* These consolidated financial results are outside the scope of audits by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecasts and other notes

Financial results forecasts and other forward-looking statements contained herein are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ significantly due to various factors. For the assumptions underlying the forecasts herein and cautionary notes regarding the use of these financial results forecasts, please see “(1) Overview of Operating Results for the Fiscal Year under Review” under “1. Overview of Operating Results, etc.” on page 2 of the Attachments.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

(Million yen)

	Fiscal year ended		Change
	October 31, 2024	October 31, 2025	
Net sales	115,208	124,897	8.4%
Operating profit	4,844	4,942	2.0%
Ordinary profit	4,950	4,992	0.8%
Profit attributable to owners of parent	3,170	3,035	(4.2)%

During the fiscal year under review, the Japanese economy saw solid corporate performance and stock prices performed well, but the yen remained weak due to the Bank of Japan's cautious stance on interest rate hikes, and prices remained high, particularly for imported goods. In the food industry, price hikes continued, and amid budget-minded spending patterns of consumers, efforts to strengthen product competitiveness continued. Under these circumstances, the ShoEi Foods Corporation Group leveraged its strengths as both a trading company and a company with a manufacturing division, and sought to supply value-added products through initiatives such as strengthening cooperation with overseas suppliers and developing products tailored to customer needs.

As a result of these efforts, consolidated net sales for the fiscal year under review increased by 8.4% year on year to 124,897 million yen, thanks to increases in sales across all segments—Japan, the United States, and China.

On the profit front, operating profit increased by 2.0% year on year to 4,942 million yen, and ordinary profit increased by 0.8% to 4,992 million yen. This was owing to an increase in gross profit resulting from price optimization by reflecting increases in raw ingredients costs despite an increase in selling, general and administrative expenses resulting from costs for digital transformation and increases in personnel expenses. Profit attributable to owners of parent decreased 4.2% year on year to 3,035 million yen due to 144 million yen of advisory fees for core system renewal recorded in software in progress in the previous fiscal year being recorded as extraordinary losses based on a review of development requirements, in addition to 290 million yen for the compensation for damage as a result of labor litigation at affiliates in the United States and at others, recorded in the first quarter of the fiscal year.

Business results by product category for the fiscal year under review are as follows.

(Million yen)

	Fiscal year ended October 31, 2024		Fiscal year ended October 31, 2025		Year on year change	
	Net sales	Composition	Net sales	Composition	Amount	%
Dairy products, oils and fats	35,937	31.2%	38,595	30.9%	2,658	7.3%
Confectionery raw ingredients	19,339	16.8%	20,648	16.5%	1,308	6.7%
Dried fruits and canned foods	40,174	34.9%	44,763	35.9%	4,588	11.4%
Confectionery and retail products	19,524	16.9%	20,878	16.7%	1,353	6.9%
Other	232	0.2%	12	0.0%	(219)	(94.5)%
Total	115,208	100.0%	124,897	100.0%	9,688	8.4%

Business results by region for the fiscal year under review are as follows.

1) Japan

In Japan, net sales increased by 6.2% year on year to 109,128 million yen due to the progress of hikes in sales prices in response to rising raw ingredient costs and the increased sales of major products, including imported dairy products, nuts, dried fruits, and confectionery and retail products.

Segment profit increased by 3.6% year on year to 4,602 million yen owing to an increase in gross profit as a result of the progress of price hikes and improved factory operating ratio despite an increase in selling, general and administrative expenses resulting from an increase in costs related to digital transformation, mainly advisory fees for core system renewal.

2) United States

In the United States, net sales increased by 11.6% year on year to 9,984 million yen due to price hikes reflecting higher market prices despite decreased volumes received and sold of both walnuts and prunes, the mainstay products, due to crop conditions.

Segment profit increased by 23.8% year on year to 470 million yen. For walnuts, although profit margins improved for shelled sales, profits decreased due to the impact of decreased sales volume. On the other hand, prunes saw higher profits due to increased sales in Japan and higher prices.

3) China

In China, net sales increased by 10.9% year on year to 11,681 million yen due to the increased sales of nuts in China, mainly almonds, despite the decreased exports of Chinese-grown seeds and dried fruits.

Segment profit decreased by 28.3% year on year to 321 million yen owing to temporary costs for efforts to improve profitability such as changes of logistics and roles of offices, despite an increase in gross profit due to higher sales in China.

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets, liabilities, and net assets)

Total assets as of October 31, 2025 amounted to 96,586 million yen, an increase of 6,680 million yen compared with the end of the previous fiscal year. This was due mainly to increases of 310 million yen in cash and deposits, 1,930 million yen in notes and accounts receivable - trade, 3,494 million yen in merchandise and finished goods, 466 million yen in work in process, and 916 million yen in raw ingredients and supplies, despite a decrease of 422 million yen in advance payments to suppliers, resulting in current assets of 65,764 million yen (68.0% of total assets), an increase of 6,616 million yen from the end of the previous fiscal year. Non-current assets increased by 64 million yen compared with the end of the previous fiscal year to 30,822 million yen (31.9% of total assets) due to an increase of 850 million yen in investments and other assets, despite decreases of 645 million yen in property, plant and equipment and 140 million yen in intangible assets.

Total liabilities as of October 31, 2025 amounted to 40,655 million yen (42.0% of total assets), an increase of 4,919 million yen compared with the end of the previous fiscal year. This was due mainly to increases of 5,202 million yen in short-term borrowings, 2,467 million yen in current portion of long-term borrowings, 483 million yen in accounts payable - other, 207 million yen in income taxes payable, and 116 million yen in provision for bonuses, despite a decrease of 915 million yen in notes and accounts payable - trade, resulting in current liabilities of 33,770 million yen (34.9% of total assets), an increase of 7,981 million yen from the end of the previous fiscal year. Non-current liabilities decreased by 3,062 million yen compared with the end of previous fiscal year to 6,884 million yen (7.1% of total assets) due to decreases of 2,837 million yen in long-term borrowings and 177 million yen in deferred tax liabilities.

Total net assets as of October 31, 2025 amounted to 55,931 million yen (57.9% of total assets), an increase of 1,761 million yen compared with the end of the previous fiscal year. This was due mainly to increases of 2,109 million yen in retained earnings, 539 million yen in foreign currency translation adjustment,

and 103 million yen in non-controlling interests, despite an increase of 1,102 million yen in treasury shares.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the fiscal year under review amounted to 11,505 million yen, an increase of 310 million yen from the end of the previous fiscal year.

The status of cash flows and contributing factors for the fiscal year under review are as follows.

(Cash flows from operating activities)

Net cash used in operating activities amounted to 610 million yen (net cash provided of 3,085 million yen in the corresponding period of the previous fiscal year). This was mainly attributable to profit before income taxes of 4,520 million yen, depreciation of 2,831 million yen, impairment losses of 144 million yen, compensation for damage of 290 million yen, interest and dividend income of 131 million yen, interest expenses of 238 million yen, an increase in trade receivables of 1,829 million yen, an increase in inventories of 4,769 million yen, a decrease in trade payables of 980 million yen, interest and dividends received of 149 million yen, interest paid of 239 million yen, and income taxes paid of 1,493 million yen.

The main factors behind the year-on-year increase in net cash used were decreases in profit before income taxes of 437 million yen and trade payables of 2,950 million yen, and increases in trade receivables of 963 million yen and inventories of 956 million yen, despite increases in impairment losses of 144 million yen and compensation for damage of 290 million yen.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 1,856 million yen (a decrease of 769 million yen year on year). This was mainly attributable to purchase of property, plant and equipment.

The main factors behind the year-on-year decrease in net cash used were decreases of 455 million yen in purchase of property, plant and equipment, and 293 million yen in purchase of intangible assets.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to 2,617 million yen (net cash used of 2,081 million yen in the corresponding period of the previous fiscal year). This was mainly attributable to a net increase in short-term borrowings of 5,174 million yen, repayments of long-term borrowings of 369 million yen, purchase of treasury shares of 1,123 million yen, repayments of lease liabilities of 126 million yen, and dividends paid of 926 million yen.

The main factors behind the year-on-year increase in net cash provided were a net increase in short-term borrowings of 5,962 million yen and a decrease in repayments of long-term borrowings of 2,001 million yen, despite a decrease in proceeds from long-term borrowings of 2,000 million yen and increases in purchase of treasury shares of 1,122 million yen and dividends paid of 101 million yen.

(Reference) Cash flow indicators

	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023	Fiscal year ended October 31, 2024	Fiscal year ended October 31, 2025
Equity ratio (%)	55.4	58.2	58.4	59.1	56.7
Equity ratio based on market value (%)	84.1	83.4	82.2	82.7	67.6
Cash flow to interest-bearing debt ratio (years)	2.8	20.5	2.9	5.7	(36.9)
Interest coverage ratio (times)	47.5	6.5	50.4	21.5	(2.5)

(Note) Equity ratio: Equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

Cash flow to interest-bearing debt ratio: Interest-bearing debt / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payments

- * All indicators are calculated based on consolidated financial figures.
- * Market capitalization is calculated by multiplying the closing stock price at the end of the fiscal year by the number of issued shares (less treasury shares) at the end of the fiscal year.
- * Operating cash flow is the cash flows from operating activities in the Consolidated Statement of Cash Flows. Interest-bearing debt refers to all liabilities on the Consolidated Balance Sheet on which interest is paid. Interest payments are based on the amount of interest paid in the Consolidated Statement of Cash Flows.

(4) Future Outlook

Although there are concerns about the impact of a slowdown in exports due to Trump tariffs, corporate performance remains strong, and capital investment is expected to recover, so the Japanese economy is expected to see positive growth. On the other hand, the impact of price increases due to the continued yen's depreciation is expected to continue, and the economic environment surrounding the Group is expected to remain uncertain. Under these circumstances, the Group will strive to ensure a stable supply of food raw ingredients by further promoting the diversification of suppliers and production areas, and it aims to achieve sustainable growth by leveraging its unique position as both a trading company and a manufacturer and by strengthening product planning capabilities.

For the fiscal year ending October 31, 2026, we expect consolidated net sales to be 130.0 billion yen, up 4.0% year on year. As for profits, we forecast an operating profit of 5,100 million yen (up 3.1% year on year), ordinary profit of 5,150 million yen (up 3.1% year on year), and profit attributable to owners of parent of 3,400 million yen (up 11.9% year on year).

2. Basic Policy on Selection of Accounting Standards

The Group prepares its consolidated financial statements in accordance with Japanese GAAP in order to ensure comparability of the consolidated financial statements from period to period and with other companies.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheet

(Thousand yen)

	As of October 31, 2024	As of October 31, 2025
Assets		
Current assets		
Cash and deposits	11,194,538	11,505,001
Notes and accounts receivable - trade	21,823,436	23,753,891
Merchandise and finished goods	19,878,851	23,373,545
Work in process	739,390	1,205,859
Raw ingredients and supplies	3,157,069	4,073,590
Advance payments to suppliers	1,001,145	578,753
Other	1,355,199	1,275,397
Allowance for doubtful accounts	(1,790)	(1,884)
Total current assets	59,147,841	65,764,154
Non-current assets		
Property, plant and equipment		
Buildings and structures	27,353,601	27,748,073
Accumulated depreciation	(14,860,996)	(15,960,940)
Buildings and structures, net	12,492,604	11,787,133
Machinery, equipment and vehicles	29,360,242	30,642,119
Accumulated depreciation	(23,437,803)	(24,458,879)
Machinery, equipment and vehicles, net	5,922,439	6,183,239
Tools, furniture and fixtures	1,761,892	1,856,551
Accumulated depreciation	(1,398,040)	(1,466,995)
Tools, furniture and fixtures, net	363,852	389,555
Land	3,580,430	3,606,323
Leased assets	295,195	364,428
Accumulated depreciation	(78,180)	(159,465)
Leased assets, net	217,014	204,962
Construction in progress	553,479	322,443
Other	433,435	452,111
Accumulated depreciation	(124,821)	(152,805)
Other, net	308,613	299,305
Total property, plant and equipment	23,438,433	22,792,963
Intangible assets		
Software	94,666	105,046
Software in progress	381,608	236,443
Other	154,862	149,582
Total intangible assets	631,137	491,072
Investments and other assets		
Investment securities	4,489,232	4,693,210
Deferred tax assets	159,550	217,399
Long-term advance account	1,734,085	2,326,339
Other	396,147	399,577
Allowance for doubtful accounts	(90,501)	(97,938)
Total investments and other assets	6,688,513	7,538,588
Total non-current assets	30,758,085	30,822,623
Total assets	89,905,926	96,586,778

(Thousand yen)

	As of October 31, 2024	As of October 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,660,340	10,744,876
Short-term borrowings	8,830,084	14,032,984
Current portion of long-term borrowings	369,926	2,837,616
Accounts payable - other	1,898,339	2,381,583
Income taxes payable	923,013	1,130,527
Provision for bonuses	989,282	1,106,108
Provision for bonuses for directors (and other officers)	12,121	11,690
Other	1,106,445	1,525,274
Total current liabilities	25,789,553	33,770,661
Non-current liabilities		
Long-term borrowings	8,286,731	5,449,115
Deferred tax liabilities	394,404	217,172
Retirement benefit liability	691,256	668,097
Provision for retirement benefits for directors (and other officers)	78,230	92,410
Other	496,361	458,103
Total non-current liabilities	9,946,983	6,884,899
Total liabilities	35,736,536	40,655,561
Net assets		
Shareholders' equity		
Share capital	3,379,736	3,379,736
Capital surplus	3,066,303	3,068,975
Retained earnings	41,686,809	43,795,860
Treasury shares	(873,762)	(1,976,054)
Total shareholders' equity	47,259,088	48,268,517
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,216,830	2,285,364
Deferred gains or losses on hedges	218,754	279,981
Foreign currency translation adjustment	3,412,178	3,951,322
Remeasurements of defined benefit plans	62,910	42,940
Total accumulated other comprehensive income	5,910,673	6,559,608
Non-controlling interests	999,627	1,103,090
Total net assets	54,169,389	55,931,216
Total liabilities and net assets	89,905,926	96,586,778

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousand yen)

	For the fiscal year ended October 31, 2024	For the fiscal year ended October 31, 2025
Net sales	115,208,856	124,897,835
Cost of sales	96,590,898	105,248,741
Gross profit	18,617,958	19,649,094
Selling, general and administrative expenses		
Packing and transportation costs	3,468,953	3,442,334
Packing and warehousing expenses	1,284,231	1,301,446
Employees' salaries and allowances	3,470,025	3,604,739
Provision for bonuses	515,152	533,297
Provision for bonuses for directors (and other officers)	12,121	11,690
Retirement benefit expenses	177,005	167,399
Provision for retirement benefits for directors (and other officers)	16,630	23,614
Travel and transportation expenses	391,435	448,948
Rent expenses	503,355	494,336
Taxes and dues	99,924	92,441
Other	3,834,233	4,585,938
Total selling, general and administrative expenses	13,773,070	14,706,186
Operating profit	4,844,888	4,942,908
Non-operating income		
Interest income	15,604	11,589
Dividend income	100,279	120,264
Foreign exchange gains	5,610	10,505
Share of profit of entities accounted for using equity method	24,603	26,579
Factory attracting bounty	31,770	29,289
Other	119,190	106,398
Total non-operating income	297,057	304,627
Non-operating expenses		
Interest expenses	143,231	238,870
Compensation expenses	39,570	9,465
Other	8,271	7,169
Total non-operating expenses	191,074	255,505
Ordinary profit	4,950,871	4,992,029
Extraordinary income		
Gain on sale of non-current assets	598	3,229
Gain on sale of shares of subsidiaries and associates	30,802	—
Total extraordinary income	31,400	3,229
Extraordinary losses		
Impairment losses	—	144,830
Loss on retirement of non-current assets	11,644	25,383
Loss on sale of non-current assets	12,053	11,321
Loss on valuation of investment securities	—	2,950
Compensation for damage	—	290,056
Total extraordinary losses	23,697	474,542
Profit before income taxes	4,958,574	4,520,716
Income taxes - current	1,713,719	1,735,570
Income taxes - deferred	(3,127)	(344,470)
Total income taxes	1,710,592	1,391,099
Profit	3,247,982	3,129,616
Profit attributable to non-controlling interests	77,826	93,778
Profit attributable to owners of parent	3,170,156	3,035,838

Consolidated Statement of Comprehensive Income

(Thousand yen)

	For the fiscal year ended October 31, 2024	For the fiscal year ended October 31, 2025
Profit	3,247,982	3,129,616
Other comprehensive income		
Valuation difference on available-for-sale securities	166,491	87,940
Deferred gains or losses on hedges	8,650	61,226
Foreign currency translation adjustment	(466,547)	539,143
Remeasurements of defined benefit plans, net of tax	(12,048)	(19,969)
Total other comprehensive income	(303,454)	668,340
Comprehensive income	2,944,528	3,797,956
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,853,855	3,684,772
Comprehensive income attributable to non-controlling interests	90,672	113,183

(3) Consolidated Statement of Changes in Equity

For the fiscal year ended October 31, 2024 (from November 1, 2023 to October 31, 2024)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,379,736	3,059,298	39,342,059	(890,779)	44,890,315
Changes during period					
Dividends of surplus			(825,406)		(825,406)
Profit attributable to owners of parent			3,170,156		3,170,156
Purchase of shares of consolidated subsidiaries		583			583
Purchase of treasury shares				(737)	(737)
Disposal of treasury shares		6,421		17,755	24,176
Net changes in items other than shareholders' equity					—
Total changes during period	—	7,005	2,344,749	17,017	2,368,772
Balance at end of period	3,379,736	3,066,303	41,686,809	(873,762)	47,259,088

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,053,590	210,103	3,878,726	74,958	6,217,379	928,093	52,035,789
Changes during period							
Dividends of surplus							(825,406)
Profit attributable to owners of parent							3,170,156
Purchase of shares of consolidated subsidiaries							583
Purchase of treasury shares							(737)
Disposal of treasury shares							24,176
Net changes in items other than shareholders' equity	163,239	8,650	(466,547)	(12,048)	(306,706)	71,533	(235,172)
Total changes during period	163,239	8,650	(466,547)	(12,048)	(306,706)	71,533	2,133,600
Balance at end of period	2,216,830	218,754	3,412,178	62,910	5,910,673	999,627	54,169,389

For the fiscal year ended October 31, 2025 (from November 1, 2024 to October 31, 2025)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,379,736	3,066,303	41,686,809	(873,762)	47,259,088
Changes during period					
Dividends of surplus			(926,787)		(926,787)
Profit attributable to owners of parent			3,035,838		3,035,838
Purchase of shares of consolidated subsidiaries					—
Purchase of treasury shares				(1,123,015)	(1,123,015)
Disposal of treasury shares		2,671		20,722	23,394
Net changes in items other than shareholders' equity					—
Total changes during period	—	2,671	2,109,050	(1,102,292)	1,009,429
Balance at end of period	3,379,736	3,068,975	43,795,860	(1,976,054)	48,268,517

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,216,830	218,754	3,412,178	62,910	5,910,673	999,627	54,169,389
Changes during period							
Dividends of surplus							(926,787)
Profit attributable to owners of parent							3,035,838
Purchase of shares of consolidated subsidiaries							—
Purchase of treasury shares							(1,123,015)
Disposal of treasury shares							23,394
Net changes in items other than shareholders' equity	68,534	61,226	539,143	(19,969)	648,934	103,462	752,397
Total changes during period	68,534	61,226	539,143	(19,969)	648,934	103,462	1,761,827
Balance at end of period	2,285,364	279,981	3,951,322	42,940	6,559,608	1,103,090	55,931,216

(4) Consolidated Statement of Cash Flows

(Thousand yen)

	For the fiscal year ended October 31, 2024	For the fiscal year ended October 31, 2025
Cash flows from operating activities		
Profit before income taxes	4,958,574	4,520,716
Depreciation	2,854,126	2,831,434
Impairment losses	–	144,830
Compensation for damage	–	290,056
Increase (decrease) in allowance for doubtful accounts	723	6,670
Increase (decrease) in retirement benefit liability	(7,789)	(51,121)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(18,282)	14,180
Interest and dividend income	(115,883)	(131,854)
Interest expenses	143,231	238,870
Loss (gain) on sale of non-current assets	11,454	8,092
Loss (gain) on sale of shares of subsidiaries and associates	(30,802)	–
Foreign exchange losses (gains)	(6,050)	113
Decrease (increase) in trade receivables	(865,788)	(1,829,052)
Decrease (increase) in inventories	(3,812,053)	(4,769,039)
Increase (decrease) in trade payables	1,969,448	(980,816)
Other, net	(412,178)	679,689
Subtotal	4,668,731	972,769
Interest and dividends received	133,899	149,938
Interest paid	(143,454)	(239,053)
Income taxes paid	(1,573,321)	(1,493,905)
Net cash provided by (used in) operating activities	3,085,855	(610,251)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,218,772)	(1,763,767)
Proceeds from sale of property, plant and equipment	4,575	6,576
Purchase of intangible assets	(370,081)	(76,562)
Purchase of investment securities	(25,965)	(26,597)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(17,952)	–
Other, net	2,024	3,556
Net cash provided by (used in) investing activities	(2,626,171)	(1,856,795)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(787,821)	5,174,237
Proceeds from long-term borrowings	2,000,000	–
Repayments of long-term borrowings	(2,371,476)	(369,926)
Purchase of treasury shares	(737)	(1,123,015)
Repayments of lease liabilities	(77,684)	(126,901)
Dividends paid	(825,406)	(926,787)
Dividends paid to non-controlling interests	(8,100)	(9,721)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(10,453)	–
Net cash provided by (used in) financing activities	(2,081,680)	2,617,885
Effect of exchange rate change on cash and cash equivalents	(132,153)	159,625
Net increase (decrease) in cash and cash equivalents	(1,754,151)	310,463
Cash and cash equivalents at beginning of period	12,948,689	11,194,538
Cash and cash equivalents at end of period	11,194,538	11,505,001

(5) Notes to Consolidated Financial Statements

(Changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes,” etc.)

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”) and other relevant accounting standards from the beginning of the fiscal year under review.

Revisions in the accounting classification of current income taxes (taxes on other comprehensive income) have been made in accordance with the transitional treatments stipulated in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatments stipulated in the proviso of Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Guidance 2022”). This change in accounting policies has no impact on the consolidated financial statements.

In addition, the Company has applied the Revised Guidance 2022 from the beginning of the fiscal year under review with respect to revisions regarding reviews on treatments in the consolidated financial statements in the case that gains or losses associated with sales of shares, etc. of subsidiaries among consolidated companies are deferred for tax purposes. The said change in accounting policies has been retrospectively applied and the consolidated financial statements for the previous fiscal year have been prepared after the retrospective application of the change. This change in accounting policies has no impact on the consolidated financial statements for the previous fiscal year.

(Application of “Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules,” etc.)

The Company has applied the “Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules” (Practical Issues Task Force (PITF) No. 46, March 22, 2024) from the beginning of the fiscal year under review. This has no impact on the consolidated financial statements.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Company's reportable segments are components of the Group which separate financial information is available for and are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

The Group mainly produces and sells processed foods such as confectionery ingredients, nuts, and dried fruits. The Company and its domestic subsidiaries cover the Japanese market, and local subsidiaries in the United States and China cover their respective markets overseas. Local subsidiaries are independent management units and formulate their own strategies as members of the Group for the products they handle, taking advantage of the characteristics of each region and engaging in their business activities.

Therefore, the Group consists of three reportable segments, "Japan," the "United States," and "China," which are based on production and sales systems and are classified by region.

2. Calculation of net sales, profit or loss, assets, liabilities, and other items by reportable segment

The accounting method for reported business segments is generally the same as that described in "Important matters that form the basis for preparing Consolidated Financial Statements."

Inter-segment net sales or transfers are generally based on prevailing market prices.

Segment profit (loss) is operating profit (loss).

3. Information on net sales, profit (loss), assets, liabilities, and other items by reportable segment, and disaggregation of revenues

For the fiscal year ended October 31, 2024 (from November 1, 2023 to October 31, 2024)

	Reportable segment				Adjustment (Notes 1, 2)	Amount recorded in Consolidated Financial Statements (Note 3)
	Japan	United States	China	Total		
Net sales						
Revenue from contracts with customers	101,414,284	6,270,223	7,519,511	115,204,018	—	115,204,018
Other revenue (Note 4)	4,837	—	—	4,837	—	4,837
Net sales to outside customers	101,419,122	6,270,223	7,519,511	115,208,856	—	115,208,856
Inter-segment net sales or transfers	1,280,024	2,670,094	3,007,725	6,957,844	(6,957,844)	—
Total	102,699,146	8,940,317	10,527,236	122,166,700	(6,957,844)	115,208,856
Segment profit	4,441,255	379,658	448,094	5,269,008	(424,119)	4,844,888
Segment assets	61,199,940	8,300,165	5,201,738	74,701,844	15,204,081	89,905,926
Other items						
Depreciation	2,381,922	302,673	169,529	2,854,126	—	2,854,126
Increase in property, plant and equipment and intangible assets	2,080,623	461,854	127,891	2,670,370	—	2,670,370

- Notes:
1. The adjustment of segment profit of negative 424,119 thousand yen includes inter-segment elimination of negative 33,600 thousand yen and company-wide expenses of negative 390,519 thousand yen. Company-wide expenses are general and administrative expenses that do not belong to the reportable segments.
 2. The adjustment of segment assets of 15,204,081 thousand yen is assets that do not belong to any reportable segment.
 3. Segment profit has been adjusted with operating profit in the Consolidated Statement of Income.
 4. Other revenue includes real estate lease revenue included in the scope of the Accounting Standard for Lease Transactions.

For the fiscal year ended October 31, 2025 (from November 1, 2024 to October 31, 2025)

(Thousand yen)

	Reportable segment				Adjustment (Notes 1, 2)	Amount recorded in Consolidated Financial Statements (Note 3)
	Japan	United States	China	Total		
Net sales						
Revenue from contracts with customers	108,371,974	6,547,088	9,969,446	124,888,510	—	124,888,510
Other revenue (Note 4)	9,325	—	—	9,325	—	9,325
Net sales to outside customers	108,381,300	6,547,088	9,969,446	124,897,835	—	124,897,835
Inter-segment net sales or transfers	746,930	3,437,077	1,712,052	5,896,060	(5,896,060)	—
Total	109,128,231	9,984,166	11,681,499	130,793,896	(5,896,060)	124,897,835
Segment profit	4,602,039	470,392	321,171	5,393,603	(450,695)	4,942,908
Segment assets	64,902,172	9,634,364	6,525,982	81,062,519	15,524,258	96,586,778
Other items						
Depreciation	2,348,577	313,886	168,970	2,831,434	—	2,831,434
Increase in property, plant and equipment and intangible assets	1,553,009	356,533	221,529	2,131,072	—	2,131,072

- Notes:
1. The adjustment of segment profit of negative 450,695 thousand yen includes inter-segment elimination of negative 32,253 thousand yen and company-wide expenses of negative 418,441 thousand yen. Company-wide expenses are general and administrative expenses that do not belong to the reportable segments.
 2. The adjustment of segment assets of 15,524,258 thousand yen is assets that do not belong to any reportable segment.
 3. Segment profit has been adjusted with operating profit in the Consolidated Statement of Income.
 4. Other revenue includes real estate lease revenue included in the scope of the Accounting Standard for Lease Transactions.

[Related information]

For the fiscal year ended October 31, 2024 (from November 1, 2023 to October 31, 2024)

1. Information by product and service

Description is omitted because net sales to outside customers in a single product/service category exceed 90% of net sales in the Consolidated Statement of Income.

2. Information by region

(1) Net sales

Description is omitted because the geographic segmentation is the same as that of the reportable segments.

(2) Property, plant and equipment

(Thousand yen)

Japan	United States	China	Total
19,473,188	2,830,914	1,134,330	23,438,433

3. Information by major customer

Description is omitted because no customer accounts for more than 10% of net sales in the Consolidated Statement of Income.

For the fiscal year ended October 31, 2025 (from November 1, 2024 to October 31, 2025)

1. Information by product and service

Description is omitted because net sales to outside customers in a single product/service category exceed 90% of net sales in the Consolidated Statement of Income.

2. Information by region

(1) Net sales

Description is omitted because the geographic segmentation is the same as that of the reportable segments.

(2) Property, plant and equipment

(Thousand yen)			
Japan	United States	China	Total
18,856,750	2,796,022	1,140,190	22,792,963

3. Information by major customer

Description is omitted because no customer accounts for more than 10% of net sales in the Consolidated Statement of Income.

[Information on impairment losses on non-current assets by reportable segment]

For the fiscal year ended October 31, 2024 (from November 1, 2023 to October 31, 2024)

Not applicable.

For the fiscal year ended October 31, 2025 (from November 1, 2024 to October 31, 2025)

	Reportable segment				Other	Corporate and Elimination	Total
	Japan	United States	China	Total			
Impairment losses	144,830	–	–	144,830	–	–	144,830

[Information on amortization and unamortized balance of goodwill by reportable segment]

For the fiscal year ended October 31, 2024 (from November 1, 2023 to October 31, 2024)

Not applicable.

For the fiscal year ended October 31, 2025 (from November 1, 2024 to October 31, 2025)

Not applicable.

[Information on gain on bargain purchase by reportable segment]

For the fiscal year ended October 31, 2024 (from November 1, 2023 to October 31, 2024)

Not applicable.

For the fiscal year ended October 31, 2025 (from November 1, 2024 to October 31, 2025)

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Important matters that form the basis for preparing Consolidated Financial Statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 9

Names of consolidated subsidiaries:

Tsukuba Dairy Products Co., Ltd., Kyo Marron Co., Ltd., Robinia Corporation, ShoEi Delicy Corporation, ShoEi Foods (U.S.A.), Inc., ShoEi Foods Qingdao Co., Ltd., Yanji ShoEi Foods Co., Ltd., ShoEi International Trading Shanghai Co., Ltd., ShoEi International Trading Hong Kong Co., Ltd.

(2) Names of principal non-consolidated subsidiaries

Kondo Flour Mills Co., Ltd.

(Reason for exclusion from scope of consolidation)

The Company's three non-consolidated subsidiaries are excluded from the scope of consolidation, because they are small companies and their combined total assets, net sales, profit/loss (the amount corresponding to equity), and retained earnings (the amount corresponding to equity) do not have a material impact on the consolidated financial statements.

2. Application of equity method

Number of non-consolidated subsidiaries accounted for by the equity method: 3

Names of principal companies:

Kondo Flour Mills Co., Ltd.

3. Fiscal year of consolidated subsidiaries

The following are the consolidated subsidiaries whose closing dates differ from the consolidated closing date.

<u>Company name</u>	<u>Closing date</u>
Tsukuba Dairy Products Co., Ltd.	March 31 *1
ShoEi Foods (U.S.A.), Inc.	September 30 *2
ShoEi Foods Qingdao Co., Ltd.	December 31 *1
Yanji ShoEi Foods Co., Ltd.	December 31 *1
ShoEi International Trading Shanghai Co., Ltd.	December 31 *1
ShoEi International Trading Hong Kong Co., Ltd.	December 31 *1

*1 Provisional financial statements as of September 30, 2025 were used, and adjustments necessary for consolidation were made for significant transactions that occurred between September 30, 2025 and the consolidated closing date.

*2 Since the difference from the consolidated closing date does not exceed three months, the financial statements of the consolidated subsidiary for its fiscal year were used, and adjustments necessary for consolidation were made for significant transactions that occurred between its closing date and the consolidated closing date.

4. Accounting policies

(1) Basis and method of valuation of significant assets

a. Securities

Available-for-sale securities

Securities other than shares, etc., which do not have a market price

Fair value method

(Valuation differences are included directly in net assets, and the cost of securities sold is determined by the moving average method.)

Shares, etc., which do not have a market price

Mainly stated at cost determined by the moving average method

b. Derivatives

Fair value method

c. Inventories

Inventories held for sale in the ordinary course of business

Mainly stated at cost determined by the first-in, first-out method (balance sheet values are calculated by writing down the book value of assets which decreased in profitability)

(2) Depreciation method for significant depreciable assets

a. Property, plant and equipment (excluding leased assets)

The Company and its domestic consolidated subsidiaries use the declining balance method, while its foreign consolidated subsidiaries use the straight-line method.

(However, the Company and its domestic consolidated subsidiaries use the straight-line method for buildings (excluding building fixtures) acquired on or after April 1, 1998 and for building fixtures and structures acquired on or after April 1, 2016.)

The principal useful lives are as follows:

Buildings and structures	5 to 50 years
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Machinery, equipment and vehicles	2 to 10 years
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b. Intangible assets (excluding leased assets)

Software: The straight-line method is adopted based on the estimated usable period (5 years) within the Company.

c. Other non-current assets

Straight-line method

d. Leased assets

Finance lease transactions that do not transfer ownership

The straight-line method is used, where the lease period is deemed as the useful life and the residual value is set at zero.

(3) Basis for significant allowances and provisions

a. Allowance for doubtful accounts

In order to prepare for probable losses on collection, allowance for doubtful accounts such as ordinary receivables is provided based on the historical write-off ratio, and that for specific receivables such as doubtful receivables is provided taking into account individual collectability.

b. Provision for bonuses

To provide for the payment of bonuses to employees, an amount accrued for the fiscal year under review among the estimated future payments is recorded.

c. Provision for bonuses for directors (and other officers)

To provide for the payment of bonuses to officers, an estimated amount of bonuses based on the estimated amount of payment is recorded.

d. Provision for retirement benefits for directors (and other officers)

Certain consolidated subsidiaries provide for the payment of retirement benefits to directors and officers based on the amount payable at the end of the fiscal year under review, in accordance with the rules for directors' and officers' retirement benefits (internal rules).

(4) Method of accounting for retirement benefits

a. Method of attributing estimated retirement benefits to periods

In calculating retirement benefit obligations, the estimated amount of retirement benefits is attributed to the period up to the end of the fiscal year under review based on the benefit calculation method.

b. Method of amortizing actuarial gains and losses

Actuarial gains and losses are amortized by the straight-line method over a fixed number of years (mainly 5 years) within the average remaining service period of employees at the time of occurrence in each consolidated fiscal year, with the amount prorated from the following consolidated fiscal year of occurrence.

c. Adoption of the simplified method for small companies

Some consolidated subsidiaries adopt the simplified method for the calculation of retirement benefit liability and retirement benefit expenses, using the amount payable at the end of the fiscal year due to voluntary termination as the retirement benefit obligations.

(5) Basis for recognition of significant revenues and expenses

The Group is engaged in the sale of raw ingredient dairy products, oils, and fats; confectionery ingredients; dried fruits and nuts; canned foods; and confectionery and retail products.

In the sale of products to domestic customers, performance obligations are deemed to have been satisfied at the time the products are inspected and accepted based on the sales contracts with the customers, and revenue is recognized at that point in time. However, given that the timeframe from the time of dispatch of the products to the time at which control of the products is transferred to the customer is within the normal timeframe, revenue from such products is recognized at the time of dispatch.

In the sale of products to overseas customers, performance obligations are deemed to have been satisfied at the time of shipment, and revenue is recognized at that point in time.

For transactions in which the promise with the customer is deemed to be a performance obligation to arrange for the provision of goods or services through another party, because the role of the Group is deemed to be an agent, the Group recognizes revenue on a net basis.

Regarding sell-buy transactions (transactions where the Company buys raw ingredients from a counterparty and sells back products made using the raw ingredients to the counterparty), the Group recognizes the net value of processing as revenue.

Additionally, revenue is recognized as the consideration promised in the contract with customers, less amounts such as rebates.

Considerations from transactions are received within one year from the recognition of revenue, and contain no significant financial components.

(6) Translation of significant assets and liabilities denominated in foreign currencies into yen

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the spot exchange rates prevailing on the consolidated closing date, with translation differences recognized as gains or losses. Assets and liabilities, and revenues and expenses of overseas subsidiaries are translated into yen at the spot exchange rates in effect at the closing date of the overseas subsidiaries, and translation adjustments are included in foreign currency translation adjustment in net assets.

(7) Significant hedge accounting methods

a. Hedge accounting method

Deferred hedge accounting is applied. Allocation treatment is applied to foreign currency-denominated monetary receivables and payables with forward foreign exchange contracts, etc., and special treatment is applied to interest rate swaps that meet the conditions for special treatment.

b. Hedging instruments and hedged items

<u>Hedging instruments</u>	<u>Hedged items</u>
Forward exchange contracts	Receivables and payables denominated in foreign currencies and forecasted transactions denominated in foreign currencies
Interest rate swaps	Interest on borrowings

c. Hedging policy

The Company's policy is to use hedging instruments to avoid risks from fluctuations in foreign currency exchange rates within the scope of hedged items.

d. Method of evaluating the effectiveness of hedging

At the end of each month, the Finance & Accounting Department of the Company monitors and manages the correspondence between the balance of hedging instruments and the balance of foreign currency-denominated receivables and payables of transactions that are owned or scheduled to be acquired in the future, which are the hedged items. However, the assessment of effectiveness is omitted for interest rate swaps for which special treatment is applied.

(8) Scope of cash and cash equivalents in the Consolidated Statement of Cash Flows

Cash and cash equivalents consist of cash on hand, deposits that can be withdrawn on demand, and short-term investments with maturities of three months or less at the time of acquisition that are readily convertible into cash and are exposed to insignificant risk of changes in value.

(9) Other important matters for preparation of Consolidated Financial Statements

Application of group tax sharing system

The Group and some of its consolidated subsidiaries have applied the group tax sharing system.

(Notes to Consolidated Balance Sheet)

*1 The amounts related to non-consolidated subsidiaries and affiliated companies are as follows.

(Thousand yen)

	As of October 31, 2024	As of October 31, 2025
Investment securities (shares)	177,215	185,795

*2 Assets pledged as collateral are as follows.

(Thousand yen)

	As of October 31, 2024		As of October 31, 2025	
Buildings and structures	510,426	(510,426)	486,227	(486,227)
Land	141,940	(141,940)	141,940	(141,940)
Total	652,366	(652,366)	628,167	(628,167)

The liabilities corresponding to the above assets are as follows.

(Thousand yen)

	As of October 31, 2024		As of October 31, 2025	
Short-term borrowings	550,000	(550,000)	550,000	(550,000)
Current portion of long-term borrowings	149,926	(149,926)	117,616	(117,616)
Long-term borrowings	236,731	(236,731)	119,115	(119,115)
Total	936,657	(936,657)	786,731	(786,731)

The figures in parentheses above indicate mortgages of the factory foundation and its liabilities. In addition to the above, investment securities of 110,705 thousand yen in the fiscal year under review (67,216 thousand yen in the previous fiscal year), are pledged as collateral to guarantee transactions.

(Notes to Consolidated Statement of Income)

*1 Revenue from contracts with customers

The Company does not separate revenues from contracts with customers and other revenues in the Consolidated Statement of Income. The amounts of revenues from contracts with customers are presented in Notes (Segment information, etc.).

*2 The year-end inventory is the amount after devaluation of the book value in accordance with the decline in profitability, and the following loss on valuation of inventories is included in the cost of sales.

(Thousand yen)

	For the fiscal year ended October 31, 2024	For the fiscal year ended October 31, 2025
Cost of sales	18,062	29,408

*3 Details of gain on sale of non-current assets are as follows.

(Thousand yen)

	For the fiscal year ended October 31, 2024	For the fiscal year ended October 31, 2025
Machinery, equipment and vehicles	563	3,229
Tools, furniture and fixtures	35	—
Total	598	3,229

*4 Details of loss on retirement of non-current assets are as follows.

(Thousand yen)

	For the fiscal year ended October 31, 2024	For the fiscal year ended October 31, 2025
Buildings and structures	7,922	8,934
Machinery, equipment and vehicles	2,693	8,234
Tools, furniture and fixtures	1,027	8,215
Total	11,644	25,383

*5 Details of loss on sale of non-current assets are as follows.

(Thousand yen)

	For the fiscal year ended October 31, 2024	For the fiscal year ended October 31, 2025
Machinery, equipment and vehicles	11,909	10,746
Tools, furniture and fixtures	143	574
Total	12,053	11,321

*6 Impairment losses

The Company recorded impairment losses on the following assets during the fiscal year under review.

Location	Use	Type	Amount (thousand yen)
Taito-ku, Tokyo	Introduction of a new core system	Software in progress	144,830

(1) Background

The Company had been developing a new core system to replace the current in-house core system.

However, as a result of reviewing future development plans for software in progress recorded as intangible assets, impairment losses were recorded for the portion that became idle assets.

(2) Grouping method

The Group classifies assets based on business divisions by product and by factory, and, for rental properties, each individual property is treated as a unit. Idle assets for which no future use is expected are grouped by individual property.

(3) Method of calculating recoverable amount

The recoverable amount of the asset is measured at value in use, and the recoverable amount based on future cash flows is calculated to be zero.

*7 Compensation for damage

A partial settlement was reached in a lawsuit for damages filed against subsidiaries of the Company, and the settlement amount has been recorded as compensation for damage.

(Notes to Consolidated Statement of Comprehensive Income)

* Reclassification adjustments and income taxes/tax effects related to other comprehensive income

(Thousand yen)

	For the fiscal year ended October 31, 2024	For the fiscal year ended October 31, 2025
Valuation difference on available-for-sale securities		
Amount incurred during period	284,673	168,802
Reclassification adjustments	(46,554)	2,950
Before income taxes and tax effect adjustment	238,118	171,752
Income taxes and tax effects	(71,627)	(83,812)
Valuation difference on available-for-sale securities	166,491	87,940
Deferred gains or losses on hedges		
Amount incurred during period	12,465	88,223
Before income taxes and tax effect adjustment	12,465	88,223
Income taxes and tax effects	(3,814)	(26,996)
Deferred gains or losses on hedges	8,650	61,226
Foreign currency translation adjustment		
Amount incurred during period	(466,547)	539,143
Remeasurements of defined benefit plans, net of tax		
Amount incurred during period	(11,006)	(19,556)
Reclassification adjustments	(6,354)	(8,405)
Before income taxes and tax effect adjustment	(17,361)	(27,962)
Income taxes and tax effects	5,312	7,992
Remeasurements of defined benefit plans, net of tax	(12,048)	(19,969)
Total other comprehensive income	(303,454)	668,340

(Notes to Consolidated Statement of Changes in Equity)

For the fiscal year ended October 31, 2024 (from November 1, 2023 to October 31, 2024)

1. Matters related to issued shares

Type of shares	Beginning of period	Increase	Decrease	End of period
Common stock (shares)	17,100,000	—	—	17,100,000

2. Matters related to treasury shares

Type of shares	Beginning of period	Increase	Decrease	End of period
Common stock (shares)	257,536	162	5,133	252,565

(Summary of reasons for fluctuations)

Breakdown of increase is as follows:

Increase due to purchase of shares less than one unit 162 shares

Breakdown of decrease is as follows:

Decrease due to disposal of treasury shares for paying stock-based compensation with transfer restriction 5,133 shares

3. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (thousand yen)	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on January 30, 2024	Common shares	404,219	24.0	October 31, 2023	January 31, 2024
Board of Directors meeting held on June 12, 2024	Common shares	421,187	25.0	April 30, 2024	July 10, 2024

(2) Dividends with a record date in the fiscal year under review and an effective date in the following fiscal year

Resolution	Class of shares	Source of dividend	Total amount of dividends (thousand yen)	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on January 30, 2025	Common shares	Retained earnings	421,185	25.0	October 31, 2024	January 31, 2025

For the fiscal year ended October 31, 2025 (from November 1, 2024 to October 31, 2025)

1. Matters related to issued shares

Type of shares	Beginning of period	Increase	Decrease	End of period
Common stock (shares)	17,100,000	—	—	17,100,000

2. Matters related to treasury shares

Type of shares	Beginning of period	Increase	Decrease	End of period
Common stock (shares)	252,565	280,055	5,991	526,629

(Summary of reasons for fluctuations)

Breakdown of increase is as follows:

Acquisition of treasury shares by resolution of the Board of Directors on June 13, 2025 280,000 shares

Increase due to purchase of shares less than one unit 55 shares

Breakdown of decrease is as follows:

Decrease due to disposal of treasury shares for paying stock-based compensation with transfer restriction 5,991 shares

3. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (thousand yen)	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on January 30, 2025	Common shares	421,185	25.0	October 31, 2024	January 31, 2025
Board of Directors meeting held on June 13, 2025	Common shares	505,602	30.0	April 30, 2025	July 10, 2025

(2) Dividends with a record date in the fiscal year under review and an effective date in the following fiscal year

Resolution	Class of shares	Source of dividend	Total amount of dividends (thousand yen)	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders to be held on January 29, 2026	Common shares	Retained earnings	497,201	30.0	October 31, 2025	January 30, 2026

(Notes to Consolidated Statement of Cash Flows)

* Reconciliation of cash and cash equivalents at the end of the period and the amount reported in the Consolidated Balance Sheet

(Thousand yen)

	For the fiscal year ended October 31, 2024	For the fiscal year ended October 31, 2025
Cash and deposits	11,194,538	11,505,001
Cash and cash equivalents	11,194,538	11,505,001

(Per share information)

	For the fiscal year ended October 31, 2024	For the fiscal year ended October 31, 2025
Net assets per share (yen)	3,155.95	3,308.20
Basic earnings per share (yen)	188.18	181.31

- Notes: 1. Diluted earnings per share is not presented since there are no latent shares.
2. Basis for calculation of net assets per share is as follows.

	As of October 31, 2024	As of October 31, 2025
Total net assets in the Consolidated Balance Sheet (thousand yen)	54,169,389	55,931,216
Amount deducted from total net assets (thousand yen)	999,627	1,103,090
(Of which, non-controlling interests)	(999,627)	(1,103,090)
Net assets related to common stock (thousand yen)	53,169,761	54,828,126
Number of common shares used for the calculation of net assets per share at the end of the period (thousand shares)	16,847	16,573

3. Basis for calculation of basic earnings per share is as follows.

	For the fiscal year ended October 31, 2024	For the fiscal year ended October 31, 2025
Profit attributable to owners of parent in the Consolidated Statement of Income (thousand yen)	3,170,156	3,035,838
Amount not attributable to common shareholders (thousand yen)	—	—
Profit attributable to owners of parent related to common stock (thousand yen)	3,170,156	3,035,838
Average number of common shares during the period (thousand shares)	16,845	16,743

(Significant subsequent events)

Not applicable.