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Consolidated Financial Results for the Fiscal Year Ended October 31, 2024 [Japanese GAAP]

December 13, 2024

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 30, 2025
Scheduled date of commencing dividend payments: January 31, 2025
Scheduled date of filing annual securities report: January 30, 2025
Availability of supplementary explanatory materials on financial results: Available
Schedule of financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Fiscal Year Ended October 31, 2024 (November 1, 2023 – October 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
October 31, 2024	115,208	5.1	4,844	20.0	4,950	19.6	3,170	12.8
October 31, 2023	109,594	6.2	4,034	7.6	4,137	1.0	2,809	0.7

(Note) Comprehensive income: Fiscal Year Ended October 31, 2024: 2,944 million yen [(19.7)%]
Fiscal Year Ended October 31, 2023: 3,669 million yen [(34.4)%]

	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
Fiscal year ended	Yen	Yen	%	%	%
October 31, 2024	188.18	—	6.0	5.5	4.2
October 31, 2023	166.81	—	5.6	4.8	3.6

(Reference) Share of profit of entities accounted for using equity method:
Fiscal Year Ended October 31, 2024: 24 million yen
Fiscal Year Ended October 31, 2023: 21 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, 2024	89,905	54,169	59.1	3,155.95
As of October 31, 2023	87,452	52,035	58.4	3,034.45

(Reference) Equity: As of October 31, 2024: 53,169 million yen
As of October 31, 2023: 51,107 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, 2024	3,085	(2,626)	(2,081)	11,194
October 31, 2023	6,327	(1,998)	681	12,948

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, 2023	—	24.00	—	24.00	48.00	808	28.7	1.6
October 31, 2024	—	25.00	—	25.00	50.00	842	26.5	1.6
Fiscal year ending October 31, 2025 (Forecast)	—	30.00	—	30.00	60.00		—	

(Note) Breakdown of the interim dividend for the fiscal year ended October 31, 2024:
Ordinary dividend: 24.00 yen
Commemorative dividend: 1.00 yen
Breakdown of the year-end dividend for the fiscal year ended October 31, 2024:
Ordinary dividend: 24.00 yen
Commemorative dividend: 1.00 yen

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

(% 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	59,500	(0.3)	2,900	(6.2)	2,950	(7.2)	1,950	0.0	115.75
Full year	115,000	(0.1)	4,400	(9.1)	4,500	(9.1)	3,000	(5.3)	178.08

*** 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: None
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, 2024: 17,100,000 shares
October 31, 2023: 17,100,000 shares

2) Total number of treasury shares at the end of the period:
October 31, 2024: 252,565 shares
October 31, 2023: 257,536 shares

3) Average number of shares during the period:
Fiscal year ended October 31, 2024: 16,845,536 shares
Fiscal year ended October 31, 2023: 16,840,264 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended October 31, 2024 (November 1, 2023 – October 31, 2024)

(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, 2024	90,558	2.8	2,741	14.8	3,302	16.9	2,399	30.6
October 31, 2023	88,063	7.5	2,386	29.7	2,824	29.7	1,837	17.9

	Basic earnings per share	Diluted earnings per share
Year ended	Yen	Yen
October 31, 2024	142.46	—
October 31, 2023	109.11	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of October 31, 2024	62,470	31,076	49.7	1,844.58
As of October 31, 2023	60,723	29,342	48.3	1,742.18

(Reference) Equity: As of October 31, 2024: 31,076 million yen
As of October 31, 2023: 29,342 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, 2023	October 31, 2024	
Net sales	109,594	115,208	5.1%
Operating profit	4,034	4,844	20.0%
Ordinary profit	4,137	4,950	19.6%
Profit attributable to owners of parent	2,809	3,170	12.8%

During the fiscal year under review, the Japanese economy saw continued inflation mainly due to labor shortages and the yen's depreciation while income growth was sluggish, and the outlook remained uncertain. In the food industry, while sales increased due to price hikes reflecting an increase in costs, as consumer buying motivation declined, efforts to reduce costs continued, such as streamlining logistics. Under these circumstances, the ShoEi Foods Corporation Group steadily implemented measures aligned with its Medium-Term Management Plan, such as enhancing facilities to ensure the stable supply of safe and reliable products and strengthening collaboration with overseas suppliers.

As a result of these efforts, consolidated net sales for the period under review increased by 5.1% year on year to 115,208 million yen, thanks to increases in sales of dairy products and retail products in Japan, as well as an increase in sales in the overseas segment such as exports of inshell walnuts from the United States and sales of nuts and dried fruits in China.

On the profit front, operating profit increased by 20.0% year on year to 4,844 million yen, ordinary profit increased by 19.6% to 4,950 million yen, and profit attributable to owners of parent increased by 12.8% to 3,170 million yen. This was owing to an improvement in profits in Japan due to the stabilization of the rise in energy cost and the progress of product price revisions, among others, despite lower profit from reduced margin of walnuts in the United States. The China segment also saw improved profitability in both exports and domestic sales.

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

(Million yen)

	Fiscal year ended October 31, 2023		Fiscal year ended October 31, 2024		Year on year change	
	Net sales	Composition	Net sales	Composition	Amount	%
Dairy products, oils and fats	34,462	31.5%	35,937	31.2%	1,474	4.2%
Confectionery raw ingredients	20,070	18.3%	19,339	16.8%	(730)	(3.6)%
Dried fruits and canned foods	35,760	32.6%	40,174	34.9%	4,414	12.3%
Confectionery and retail products	19,002	17.3%	19,524	16.9%	522	2.7%
Other	298	0.3%	232	0.2%	(66)	(22.1)%
Total	109,594	100.0%	115,208	100.0%	5,614	5.1%

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

1) Japan

In Japan, net sales increased by 2.9% year on year to 102,699 million yen due to the increased sales of products such as dairy products, dried fruits, and retail products, as a result of price hikes.

Segment profit increased by 20.3% year on year to 4,441 million yen owing to the improved profitability of dairy products, nuts, dried fruits, confectionery and retail products, and others.

2) United States

In the United States, the walnut business, which is the main business of this region, saw an increase in net sales resulting from the increased volumes received and sold amid favorable crop conditions. Sales of the Chinese-grown pine nuts also increased in the United States. As a result, net sales increased by 12.4% year on year to 8,940 million yen.

Segment profit decreased by 32.6% year on year to 379 million yen despite an increase in walnut sales volume, due to a reduced margin between the average purchase price and the average selling price, after price fluctuations during the period, compared to the previous fiscal year.

3) China

Sales of nuts and dried fruits increased in China and the exports of the Chinese-grown seeds remained favorable. As a result, net sales increased by 18.0% year on year to 10,527 million yen.

Segment profit increased by 384.3% year on year to 448 million yen, due to strong sales in China and the improved profitability from exports of Chinese-grown seeds to Europe and processed dried fruits to Japan.

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

(Assets, liabilities, and net assets)

Total assets as of October 31, 2024 amounted to 89,905 million yen, an increase of 2,453 million yen compared with the previous fiscal year. This was due mainly to increases of 699 million yen in notes and accounts receivable - trade, 3,338 million yen in merchandise and finished goods, 410 million yen in raw materials and supplies and 152 million yen in advance payments to suppliers, despite a decrease of 1,754 million yen in cash and deposits, resulting in current assets of 59,147 million yen (65.7% of total assets), an increase of 2,893 million yen from the end of the previous fiscal year. Non-current assets fell by 440 million yen compared with the end of the previous fiscal year to 30,758 million yen (34.2% of total assets) due to a decrease of 681 million yen in property, plant and equipment, despite an increase of 339 million yen in intangible assets.

Total liabilities as of October 31, 2024 amounted to 35,736 million yen (39.7% of total assets), an increase of 319 million yen compared with the end of the previous fiscal year. This was due mainly to decreases of 846 million yen in short-term borrowings, 2,001 million yen in current portion of long-term borrowings and 271 million yen in accounts payable - other, despite increases of 1,754 million yen in notes and accounts payable - trade and 153 million yen in income taxes payable, resulting in current liabilities of 25,789 million yen (28.6% of total assets), a decrease of 1,401 million yen from the end of the previous fiscal year. Non-current liabilities increased by 1,721 million yen compared with the end of previous fiscal year to 9,946 million yen (11.0% of total assets) due to an increase of 1,630 million yen in long-term borrowings.

Total net assets as of October 31, 2024 amounted to 54,169 million yen (60.2% of total assets), an increase of 2,133 million yen compared with the end of the previous fiscal year. This was due mainly to increases of 2,344 million yen in retained earnings, and 163 million yen in valuation difference on available-for-sale securities, despite a decrease of 466 million yen in foreign currency translation adjustment.

(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 11,194 million yen, a decrease of 1,754 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 provided by operating activities amounted to 3,085 million yen (a decrease of 3,241 million yen year on year). This was mainly attributable to profit before income taxes of 4,958 million yen, depreciation of 2,854 million yen, interest and dividend income of 115 million yen, interest expenses of 143 million yen, an increase in trade receivables of 865 million yen, an increase in inventories of 3,812 million yen, an increase in trade payables of 1,969 million yen, interest and dividends received of 133 million yen, interest paid of 143 million yen, and income taxes paid of 1,573 million yen.

The main factors behind the year-on-year decrease in net cash provided were an increase in inventories of 5,161 million yen and an increase in income taxes paid of 628 million yen despite an increase in profit before income taxes of 841 million yen, and an increase in trade payables of 2,671 million yen,.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 2,626 million yen (an increase of 627 million yen year on year). This was mainly attributable to purchase of property, plant and equipment.

The main factor behind the year-on-year increase in net cash used was an increase of 276 million yen in purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 2,081 million yen (net cash provided of 681 million yen in the previous fiscal year). This was mainly attributable to net decrease in short-term borrowings of 787 million yen, proceeds from long-term borrowings of 2,000 million yen, repayments of long-term borrowings of 2,371 million yen, and dividends paid of 825 million yen.

The main factors behind the year-on-year increase in net cash used were a net decrease in short-term borrowings of 1,593 million yen and a decrease in proceeds from long-term borrowings of 2,100 million yen, despite a decrease in repayments of long-term borrowings of 990 million yen.

(Reference) Cash flow indicators

	Fiscal year ended October 31, 2020	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023	Fiscal year ended October 31, 2024
Equity ratio (%)	52.7	55.4	58.2	58.4	59.1
Equity ratio based on market value (%)	83.1	84.1	83.4	82.2	82.7
Cash flow to interest-bearing debt ratio (years)	3.2	2.8	20.5	2.9	5.7
Interest coverage ratio (times)	30.5	47.5	6.5	50.4	21.5

(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

A new US President is due to take office in early 2025, and he has already announced the implementation of policies such as additional tariffs. This is expected to lead to increased inflationary pressure and fluctuations in exchange rates. The economic slowdown in China and geopolitical issues such as those in the Middle East and Ukraine are also expected to continue. Additionally, factors like climate change are likely to contribute to ongoing fluctuations in agricultural product prices. For these reasons, the economic environment surrounding the Group is expected to remain uncertain. Under these circumstances, the Group aims to achieve sustainable growth by integrating three functions—stable procurement of high-quality raw ingredients, enhancing added value through processing capabilities, and strengthening our ability to respond to customer needs—and, at the same time, further refining each of these functions individually. For the fiscal year ending October 31, 2025, we expect consolidated net sales to be 115 billion yen, down 0.1% year on year. As for profits, we forecast an operating profit of 4,400 million yen (down 9.1% year on year), ordinary profit of 4,500 million yen (down 9.1% year on year) and profit attributable to owners of parent of 3,000 million yen (down 5.3% 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, 2023	As of October 31, 2024
Assets		
Current assets		
Cash and deposits	12,948,689	11,194,538
Notes and accounts receivable - trade	21,124,074	21,823,436
Merchandise and finished goods	16,540,262	19,878,851
Work in process	817,472	739,390
Raw materials and supplies	2,746,495	3,157,069
Advance payments to suppliers	848,654	1,001,145
Other	1,232,081	1,355,199
Allowance for doubtful accounts	(3,454)	(1,790)
Total current assets	56,254,275	59,147,841
Non-current assets		
Property, plant and equipment		
Buildings and structures	26,971,041	27,353,601
Accumulated depreciation	(13,993,384)	(14,860,996)
Buildings and structures, net	12,977,657	12,492,604
Machinery, equipment and vehicles	28,860,537	29,360,242
Accumulated depreciation	(22,372,966)	(23,437,803)
Machinery, equipment and vehicles, net	6,487,570	5,922,439
Tools, furniture and fixtures	1,668,900	1,761,892
Accumulated depreciation	(1,331,964)	(1,398,040)
Tools, furniture and fixtures, net	336,936	363,852
Land	3,596,571	3,580,430
Leased assets	205,508	295,195
Accumulated depreciation	(130,719)	(78,180)
Leased assets, net	74,789	217,014
Construction in progress	299,805	553,479
Other	454,236	433,435
Accumulated depreciation	(108,100)	(124,821)
Other, net	346,136	308,613
Total property, plant and equipment	24,119,465	23,438,433
Intangible assets		
Software	127,465	94,666
Software in progress	—	381,608
Other	164,213	154,862
Total intangible assets	291,678	631,137
Investments and other assets		
Investment securities	4,249,809	4,489,232
Insurance premium	29,080	—
Deferred tax assets	197,556	159,550
Long-term advance account	2,001,528	1,734,085
Other	400,843	396,147
Allowance for doubtful accounts	(91,760)	(90,501)
Total investments and other assets	6,787,057	6,688,513
Total non-current assets	31,198,202	30,758,085
Total assets	87,452,478	89,905,926

(Thousand yen)

	As of October 31, 2023	As of October 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,905,506	11,660,340
Short-term borrowings	9,676,926	8,830,084
Current portion of long-term borrowings	2,371,476	369,926
Accounts payable - other	2,170,117	1,898,339
Income taxes payable	769,593	923,013
Provision for bonuses	1,015,594	989,282
Provision for bonuses for directors (and other officers)	9,300	12,121
Other	1,272,764	1,106,445
Total current liabilities	27,191,277	25,789,553
Non-current liabilities		
Long-term borrowings	6,656,657	8,286,731
Deferred tax liabilities	358,057	394,404
Retirement benefit liability	712,584	691,256
Provision for retirement benefits for directors (and other officers)	96,512	78,230
Other	401,599	496,361
Total non-current liabilities	8,225,410	9,946,983
Total liabilities	35,416,688	35,736,536
Net assets		
Shareholders' equity		
Share capital	3,379,736	3,379,736
Capital surplus	3,059,298	3,066,303
Retained earnings	39,342,059	41,686,809
Treasury shares	(890,779)	(873,762)
Total shareholders' equity	44,890,315	47,259,088
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,053,590	2,216,830
Deferred gains or losses on hedges	210,103	218,754
Foreign currency translation adjustment	3,878,726	3,412,178
Remeasurements of defined benefit plans	74,958	62,910
Total accumulated other comprehensive income	6,217,379	5,910,673
Non-controlling interests	928,093	999,627
Total net assets	52,035,789	54,169,389
Total liabilities and net assets	87,452,478	89,905,926

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousand yen)

	For the fiscal year ended October 31, 2023	For the fiscal year ended October 31, 2024
Net sales	109,594,493	115,208,856
Cost of sales	92,041,689	96,590,898
Gross profit	17,552,803	18,617,958
Selling, general and administrative expenses		
Packing and transportation costs	3,365,015	3,468,953
Packing and warehousing expenses	1,278,056	1,284,231
Employees' salaries and allowances	3,533,898	3,470,025
Provision for bonuses	541,620	515,152
Provision for bonuses for directors (and other officers)	9,300	12,121
Retirement benefit expenses	213,795	177,005
Provision for retirement benefits for directors (and other officers)	17,012	16,630
Travel and transportation expenses	332,682	391,435
Rent expenses	521,325	503,355
Taxes and dues	94,060	99,924
Other	3,611,344	3,834,233
Total selling, general and administrative expenses	13,518,112	13,773,070
Operating profit	4,034,691	4,844,888
Non-operating income		
Interest income	19,849	15,604
Dividend income	85,175	100,279
Foreign exchange gains	—	5,610
Share of profit of entities accounted for using equity method	21,498	24,603
Dividends investment	37,022	—
Factory attracting bounty	35,091	31,770
Other	67,362	119,190
Total non-operating income	266,000	297,057
Non-operating expenses		
Interest expenses	129,118	143,231
Foreign exchange losses	31,129	—
Compensation expenses	817	39,570
Other	2,214	8,271
Total non-operating expenses	163,279	191,074
Ordinary profit	4,137,412	4,950,871
Extraordinary income		
Gain on sale of non-current assets	3,873	598
Gain on sale of shares of subsidiaries and associates	—	30,802
Total extraordinary income	3,873	31,400
Extraordinary losses		
Loss on retirement of non-current assets	24,497	11,644
Loss on sale of non-current assets	104	12,053
Total extraordinary losses	24,602	23,697
Profit before income taxes	4,116,683	4,958,574
Income taxes - current	1,266,601	1,713,719
Income taxes - deferred	59	(3,127)
Total income taxes	1,266,661	1,710,592
Profit	2,850,022	3,247,982
Profit attributable to non-controlling interests	40,785	77,826
Profit attributable to owners of parent	2,809,236	3,170,156

Consolidated Statement of Comprehensive Income

(Thousand yen)

	For the fiscal year ended October 31, 2023	For the fiscal year ended October 31, 2024
Profit	2,850,022	3,247,982
Other comprehensive income		
Valuation difference on available-for-sale securities	515,562	166,491
Deferred gains or losses on hedges	(212,617)	8,650
Foreign currency translation adjustment	329,942	(466,547)
Remeasurements of defined benefit plans, net of tax	186,803	(12,048)
Total other comprehensive income	819,691	(303,454)
Comprehensive income	3,669,713	2,944,528
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,619,996	2,853,855
Comprehensive income attributable to non-controlling interests	49,717	90,672

(3) Consolidated Statement of Changes in Equity

For the fiscal year ended October 31, 2023 (from November 1, 2022 to October 31, 2023)

(Thousand yen)

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

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,546,959	422,721	3,548,784	(111,845)	5,406,620	886,477	49,158,674
Changes during period							
Dividends of surplus							(808,301)
Profit attributable to owners of parent							2,809,236
Purchase of shares of consolidated subsidiaries							—
Purchase of treasury shares							(872)
Disposal of treasury shares							24,676
Net changes in items other than shareholders' equity	506,631	(212,617)	329,942	186,803	810,759	41,616	852,376
Total changes during period	506,631	(212,617)	329,942	186,803	810,759	41,616	2,877,114
Balance at end of period	2,053,590	210,103	3,878,726	74,958	6,217,379	928,093	52,035,789

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

(4) Consolidated Statement of Cash Flows

(Thousand yen)

	For the fiscal year ended October 31, 2023	For the fiscal year ended October 31, 2024
Cash flows from operating activities		
Profit before income taxes	4,116,683	4,958,574
Depreciation	2,905,587	2,854,126
Increase (decrease) in allowance for doubtful accounts	608	723
Increase (decrease) in retirement benefit liability	57,175	(7,789)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	17,012	(18,282)
Interest and dividend income	(105,025)	(115,883)
Interest expenses	129,118	143,231
Loss (gain) on sale of non-current assets	(3,768)	11,454
Loss (gain) on sale of shares of subsidiaries and associates	—	(30,802)
Foreign exchange losses (gains)	61,610	(6,050)
Decrease (increase) in trade receivables	(791,316)	(865,788)
Decrease (increase) in inventories	1,349,372	(3,812,053)
Increase (decrease) in trade payables	(701,600)	1,969,448
Other, net	149,189	(412,178)
Subtotal	7,184,648	4,668,731
Interest and dividends received	213,023	133,899
Interest paid	(125,432)	(143,454)
Income taxes paid	(944,687)	(1,573,321)
Net cash provided by (used in) operating activities	6,327,551	3,085,855
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,942,263)	(2,218,772)
Proceeds from sale of property, plant and equipment	7,324	4,575
Purchase of intangible assets	—	(370,081)
Purchase of investment securities	(24,519)	(25,965)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	—	(17,952)
Other, net	(39,369)	2,024
Net cash provided by (used in) investing activities	(1,998,827)	(2,626,171)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	805,208	(787,821)
Proceeds from long-term borrowings	4,100,000	2,000,000
Repayments of long-term borrowings	(3,361,476)	(2,371,476)
Purchase of treasury shares	(872)	(737)
Repayments of lease liabilities	(45,150)	(77,684)
Dividends paid	(808,301)	(825,406)
Dividends paid to non-controlling interests	(8,100)	(8,100)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(10,453)
Net cash provided by (used in) financing activities	681,306	(2,081,680)
Effect of exchange rate change on cash and cash equivalents	71,364	(132,153)
Net increase (decrease) in cash and cash equivalents	5,081,395	(1,754,151)
Cash and cash equivalents at beginning of period	7,867,293	12,948,689
Cash and cash equivalents at end of period	12,948,689	11,194,538

(5) Notes to Consolidated Financial Statements

(Notes in case of significant changes in amount of shareholders' equity)

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.
Iwasa Corporation, which was a consolidated subsidiary in the previous fiscal year, has been excluded from the scope of consolidation in the fiscal year under review due to the sale of all its shares.

(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.

Company name	Closing date
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, 2024 were used, and adjustments necessary for consolidation were made for significant transactions that occurred between September 30, 2023 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 subsidiaries for their fiscal years were used, and adjustments necessary for consolidation

were made for significant transactions that occurred between their respective 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 difference 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
Machinery, equipment and vehicles	2 to 10 years

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 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

Hedging instruments		Hedged items
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.

(Change in presentation method)

(Consolidated Statement of Income)

"Compensation expenses" which was included in "other" under "non-operating income" in the previous fiscal year, is presented separately from the fiscal year under review due to the increasing materiality of the amount. To reflect this change in the presentation method, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, 3,031 thousand yen presented as "other" under "non-operating income" in the consolidated statement of income for the previous fiscal year has been reclassified as 817 thousand yen of "compensation expenses" and 2,214 thousand yen of "other."

(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, 2023	As of October 31, 2024
Investment securities (shares)	170,611	177,215

*2 Assets pledged as collateral are as follows.

(Thousand yen)

	As of October 31, 2023		As of October 31, 2024	
Buildings and structures	536,441	(536,441)	510,246	(510,426)
Land	141,940	(141,940)	141,940	(141,940)
Total	678,381	(678,381)	652,186	(652,366)

The liabilities corresponding to the above assets are as follows.

(Thousand yen)

	As of October 31, 2023		As of October 31, 2024	
Short-term borrowings	530,000	(530,000)	550,000	(550,000)
Current portion of long-term borrowings	151,476	(151,476)	149,926	(149,926)
Long-term borrowings	386,657	(386,657)	236,731	(236,731)
Total	1,068,133	(1,068,133)	936,657	(936,657)

The figures in parentheses above indicate mortgages of the factory foundation and its liabilities. In addition to the above, investment securities of 67,216 thousand yen in the fiscal year under review (48,402 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, 2023	For the fiscal year ended October 31, 2024
Cost of sales	10,318	18,062

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

(Thousand yen)

	For the fiscal year ended October 31, 2023	For the fiscal year ended October 31, 2024
Machinery, equipment and vehicles	3,873	563
Tools, furniture and fixtures	—	35
Total	3,873	598

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

(Thousand yen)

	For the fiscal year ended October 31, 2023	For the fiscal year ended October 31, 2024
Buildings and structures	10,861	7,922
Machinery, equipment and vehicles	11,645	2,693
Tools, furniture and fixtures	1,039	1,027
Other	950	—
Total	24,497	11,644

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

(Thousand yen)

	For the fiscal year ended October 31, 2023	For the fiscal year ended October 31, 2024
Machinery, equipment and vehicles	—	11,909
Tools, furniture and fixtures	104	143
Total	104	12,053

(Notes to Consolidated Statement of Comprehensive Income)

* Reclassification adjustments and tax effects related to other comprehensive income

(Thousand yen)

	For the fiscal year ended October 31, 2023	For the fiscal year ended October 31, 2024
Valuation difference on available-for-sale securities		
Amount incurred during period	742,305	284,673
Reclassification adjustments	—	(46,554)
Before tax effect adjustment	742,305	238,118
Tax effects	(226,742)	(71,627)
Valuation difference on available-for-sale securities	515,561	166,491
Deferred gains or losses on hedges		
Amount incurred during period	(306,365)	12,465
Before tax effect adjustment	(306,365)	12,465
Tax effects	93,747	(3,814)
Deferred gains or losses on hedges	(212,616)	8,650
Foreign currency translation adjustment		
Amount incurred during period	329,942	(466,547)
Remeasurements of defined benefit plans, net of tax		
Amount incurred during period	224,350	(11,006)
Reclassification adjustments	44,820	(6,354)
Before tax effect adjustment	269,172	(17,361)
Tax effects	(82,367)	5,312
Remeasurements of defined benefit plans, net of tax	186,803	(12,048)
Total other comprehensive income	819,691	(303,454)

(Notes to Consolidated Statement of Changes in Equity)

For the fiscal year ended October 31, 2023 (from November 1, 2022 to October 31, 2023)

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)	263,300	211	5,975	257,536

(Summary of reasons for fluctuations)

Breakdown of increase is as follows:

Increase due to purchase of shares less than one unit 211 shares

Breakdown of decrease is as follows:

Decrease due to disposal of treasury shares for paying stock-based compensation with transfer restriction 5,975 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 27, 2023	Common shares	404,080	24.0	October 31, 2022	January 30, 2023
Board of Directors meeting held on June 12, 2023	Common shares	404,221	24.0	April 30, 2023	July 10, 2023

(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, 2024	Common shares	Retained earnings	404,219	24.0	October 31, 2023	January 31, 2024

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 to be held on January 30, 2025	Common shares	Retained earnings	421,185	25.0	October 31, 2024	January 31, 2025

(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, 2023	For the fiscal year ended October 31, 2024
Cash and deposits	12,948,689	11,194,538
Cash and cash equivalents	12,948,689	11,194,538

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

(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	98,738,712	4,593,348	6,259,685	109,591,746	—	109,591,746
Other revenue (Note 4)	2,746	—	—	2,746	—	2,746
Net sales to outside customers	98,741,459	4,593,348	6,259,685	109,594,493	—	109,594,493
Inter-segment net sales or transfers	1,028,767	3,356,672	2,657,420	7,042,860	(7,042,860)	—
Total	99,770,226	7,950,020	8,917,106	116,637,353	(7,042,860)	109,594,493
Segment profit	3,689,583	563,633	92,508	4,345,725	(311,034)	4,034,691
Segment assets	58,199,788	7,847,194	4,796,036	70,843,019	16,609,458	87,452,478
Other items						
Depreciation	2,413,130	315,588	176,867	2,905,587	—	2,905,587
Increase in property, plant and equipment and intangible assets	1,535,492	389,852	164,348	2,089,693	—	2,089,693

Notes:
1. The adjustment of segment profit of negative 311,034 thousand yen includes inter-segment elimination of 24,810 thousand yen and company-wide expenses of negative 335,844 thousand yen. Company-wide expenses are general and administrative expenses that do not belong to the reportable segments.
2. Adjustment of segment assets of 16,609,458 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, 2024 (from November 1, 2023 to October 31, 2024)

(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	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. 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.

[Related information]

For the fiscal year ended October 31, 2023 (from November 1, 2022 to October 31, 2023)

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
20,130,660	2,796,031	1,192,773	24,119,465

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, 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.

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

For the fiscal year ended October 31, 2023 (from November 1, 2022 to October 31, 2023)

Not applicable.

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

Not applicable.

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

For the fiscal year ended October 31, 2023 (from November 1, 2022 to October 31, 2023)

Not applicable.

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

Not applicable.

[Information on gain on bargain purchase by reportable segment]

For the fiscal year ended October 31, 2023 (from November 1, 2022 to October 31, 2023)

Not applicable.

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

Not applicable.

(Per share information)

	For the fiscal year ended October 31, 2023	For the fiscal year ended October 31, 2024
Net assets per share (yen)	3,034.45	3,155.95
Basic earnings per share (yen)	166.81	188.18

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, 2023	As of October 31, 2024
Total net assets in the Consolidated Balance Sheet (thousand yen)	52,035,789	54,169,389
Amount deducted from total net assets (thousand yen)	928,093	999,627
(Of which, non-controlling interests)	(928,093)	(999,627)
Net assets related to common stock (thousand yen)	51,107,695	53,169,761
Number of common shares used for the calculation of net assets per share at the end of the period (thousand shares)	16,842	16,847

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

	For the fiscal year ended October 31, 2023	For the fiscal year ended October 31, 2024
Profit attributable to owners of parent in the Consolidated Statement of Income (thousand yen)	2,809,236	3,170,156
Amount not attributable to common shareholders (thousand yen)	—	—
Profit attributable to owners of parent related to common stock (thousand yen)	2,809,236	3,170,156
Average number of common shares during the period (thousand shares)	16,840	16,845

(Significant subsequent events)

Not applicable.