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To whom it may concern

Company Name: Nishimoto Co., Ltd.
 Representative: Yoshiro Susaki, Chairman & CEO
 (Code No.: 9260 Prime Market of the Tokyo Stock Exchange)
 Contact: Yuji Sasa, President, Director of the Board, COO, CFO
 (Phone: 03-6870-2015)

Notice Regarding Revision of Consolidated Earnings Forecast and Dividend Forecast for the Fiscal Year Ending December 2024

Nishimoto Co., Ltd. (hereinafter, “the Company”) hereby announces a revision to its earnings forecast for the first half and the full fiscal year ending December 2024 (from January 1, 2024 to December 31, 2024), which was released on February 14, 2024, as follows.

In addition, the Company has revised its year-end dividend forecast for the year ending December 2024 (from January 1, 2024 to December 31, 2024), which was released on the same day, as outlined below.

1. Revision of consolidated earnings forecast for the fiscal year ending December 2024

(1) Revision of consolidated earnings forecast for the first half (from January 1, 2024 to June 30, 2024) of the fiscal year ending December 2024

(Unit: millions of yen, %)

	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent	Net Income per Share (yen)
Previous Forecast (A) (Announced on February 14, 2024)	165,000	7,000	7,000	4,500	315.30
Current Revised Forecast (B)	165,000	4,000	4,500	3,000	210.20
Amount Variance (B – A)	0	(3,000)	(2,500)	(1,500)	
Percentage Variance (%)	0.0	(42.9)	(35.7)	(33.3)	
(Reference) Previous Year Results (Fiscal year ended December 2023, consolidated basis)	146,281	5,737	6,453	4,378	305.07

(2) Revision of consolidated earnings forecast for the full fiscal year ending December 2024 (from January 1, 2024 to December 31, 2024)

(Unit: millions of yen, %)

	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent	Net Income per Share (yen)
Previous Forecast (A) (Announced on February 14, 2024)	354,000	15,000	15,000	9,000	210.34
Current Revised Forecast (B)	354,000	12,000	12,500	8,000	186.97
Amount Variance (B – A)	0	(3,000)	(2,500)	(1,000)	
Percentage Variance (%)	0.0	(20.0)	(16.7)	(11.1)	
(Reference) Previous Year Results (Fiscal year ended December 2023, consolidated basis)	300,847	11,020	12,456	6,268	436.75

(Note) 1. The Company's Board of Directors resolved at its meeting held on February 14, 2024, to buy back its own shares, and the buy back was executed on February 15, 2024. In addition, the Company resolved at the Board of Directors meeting held on February 29, 2024, to dispose of its treasury stock, and executed the disposal on March 30, 2024. The net income per share in the consolidated earnings forecast for the fiscal year ending December 31, 2024, takes into account the impact of the buy back and disposal of treasury stock.

2. The Company's Board of Directors resolved at its meeting held on February 14, 2024, to conduct a 3-for-1 stock split of shares of common stock, with an effective date of July 1, 2024. The net income per share in the forecast of consolidated financial results for the full year takes into account the effect of this stock split. Without considering the stock split, the net income per share for the full year would be as follows.

(Previous forecast) 631.01 yen (Current revised forecast) 560.90 yen

(3) Reason for the revision

1. Revision of consolidated earnings forecast for the first half of the fiscal year ending December 2024

In an effort to break free from multiple years of losses in the domestic fruit and vegetable import business of the Agricultural Business segment, the Company has been working on drastic structural reforms since the beginning of the fiscal year. Currently, the Company is in the process of implementing and reviewing measures from all angles, including narrowing down the portfolio of products it handles, adjusting inventories through early sales, and reviewing its cost structure. In pursuing these initiatives, however, the Company expects to record a significant loss in the first half of the fiscal year due to partial downsizing of the business operation structure and the recording of one-time expenses associated with the streamlining of operations.

In addition, in the Asian Food Global Business segment, as a result of a rise in expenses due to broad-based price hikes, in addition to the factors that gradually increased SG&A expenses since the second half of the previous fiscal year in North America, such as (i) an increase in compensation levels to maintain and secure human resources and (ii) a significant increase in rents for the renewal of contracts for warehouse facilities at multiple locations, the increase in SG&A expenses in the first quarter exceeded the level the Company had estimated at the beginning of the fiscal year, making it difficult to achieve the consolidated earnings forecast for the first half announced on February 14.

2. Revision of consolidated earnings forecast for the full fiscal year ending December 2024

As mentioned above, structural reforms in the domestic fruit and vegetable business of the Agricultural Business segment will be implemented and completed ahead of schedule in the first half of the year, and various measures to increase sales and gross profit in the Asian Food Global Business segment have already been initiated in the first half of the fiscal year. As a result, the Company expects to absorb the increase in SG&A expenses in the second half of the fiscal year, enabling it to achieve results in line with its initial forecast announced on February 14.

Considering the above, the full-year consolidated earnings forecast has been revised as described in 1.(2) above to reflect the revised consolidated earnings forecast for the first half of the fiscal year.

2. Revision of dividend forecast

- (1) Dividend forecast for the fiscal year ending December 2024 (from January 1, 2024 to December 31, 2024)

	Dividend per Share (yen)		
	End of 2nd Quarter	Year-end	Total
Previous Forecast (Announced on February 14, 2024)	90.00	33.33	-
Current Revised Forecast	60.00	36.66	-
(Reference) Previous Year Results (Fiscal year ended December 2023, consolidated basis)	80.00	80.00	160.00

(Note) The Company's Board of Directors resolved at its meeting held on February 14, 2024, to conduct a 3-for-1 stock split of shares of common stock, with an effective date of July 1, 2024. The above dividend forecast for the end of the second quarter is the amount before the stock split, and the year-end dividend

is the amount after taking the stock split into account. The year-end dividend per share and annual dividend per share without considering the stock split are as follows.

(Previous forecast) Dividend at year-end 100.00 yen, annual dividend per share 190.00 yen

(Current revised forecast) Dividend at year-end 110.00 yen, annual dividend per share 170.00 yen

(2) Reason for the revision

The Company has a basic policy of maintaining stable dividends, while securing internal reserves for future business development and for bolstering its financial position. The Company considers the dividend payout ratio an important indicator of how appropriate a dividend payment is, and targets a full-year dividend payout ratio on a consolidated basis of approximately 30% for each fiscal year.

Regarding dividends for the fiscal year ending December 31, 2024, the Company previously forecasted an interim (second quarter end) dividend of 90 yen per share and a year-end dividend of 33.33 yen per share, but in light of the above policy and the consolidated earnings forecast announced today, the Company has revised the forecast as described in 2.(1) above.