

Press release

October 15, 2018

Company name: Nishimoto Co., Ltd.

Representative: Takayuki Kanai, President

(Stock code: 9260, Tokyo Stock Exchange First Section)

Contact: Atsuhiko Kimura, Director and CFO

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Notice on Merger between Consolidated Subsidiaries and Trade Name Change of Consolidated Subsidiary

At a Board of Directors Meeting held on October 15, 2018, Nishimoto Co., Ltd. resolved to merge Nishimoto Trading Co., Ltd. with Wismettac Foods, Inc., both of which are consolidated subsidiaries of ours, and change the trade name of the post-merger surviving company Nishimoto Trading Co., Ltd. to Wismettac Foods Co., Ltd., and the General Meetings of Shareholders of both companies on the same day passed a resolution on this merger.

Since the merger will be between consolidated subsidiaries wholly owned by the Company, we partially omitted items and contents to be disclosed.

1. Purpose of merger and trade name change

In the Group, as subsidiaries in Japan, Nishimoto Trading Co., Ltd. pursued Asian food global business, as well as the amenities and retail business, while Wismettac Foods, Inc. pursued agricultural and seafood products trading business.

The operating environment for foods has been changing rapidly as evidenced by food technology evolution and the diversification of food distribution and food supply formats. We decided to merge the above-mentioned two subsidiaries with the aim of building an organization able to flexibly address changes through the concentration of business resources and staff sharing by turning the previous two-company business platform into a single corporate entity/organization.

We are in the process of sequentially changing the names of our consolidated group subsidiaries to ones using the term "Wismettac," the common brand for the Group, starting with our overseas subsidiaries. We will further foster a sense of unity as the Group and deliver increased brand value by using the Group common brand for the names of our domestic subsidiaries in Japan.

2. Outline of merger and trade name change

(1) Merger format

An absorption-type merger in which Nishimoto Trading Co., Ltd. will be the surviving company with Wismettac Foods, Inc. being dissolved

(2) Trade name change for the surviving company

Effective January 1, 2019, Nishimoto Trading Co., Ltd. will change its trade name to Wismettac Foods Co., Ltd.

Current trade name: Nishimoto Trading Co., Ltd.

Future trade name: Wismettac Foods Co., Ltd.

(3) Schedule

The Board of Directors meeting that approved the proposed merger (Nishimoto Co., Ltd. and its subsidiaries)	October 15, 2018
The Board of Directors meeting that passed a resolution on the trade name change (Nishimoto Co., Ltd.)	October 15, 2018
The merger agreement was entered into	October 15, 2018
The General Meeting of Shareholders that approved the proposed merger agreement (subsidiaries)	October 15, 2018
The date on which the merger and trade name change are scheduled to be implemented (the date of coming into effect)	January 1, 2019 (planned)

(4) Allotment due to the merger

As the merger in question will be between wholly-owned subsidiaries of Nishimoto Co., Ltd., no new shares will be issued, no paid-in capital increase will take place and no merger grant will be paid.

(5) Handling of new share subscription rights and bonds with share subscription rights of the company to be dissolved
Not applicable

3. Profiles of the merging companies (as at December 31, 2017)

	Surviving company	Company to be dissolved
(1) Trade name	Nishimoto Trading Co., Ltd.	Wismettac Foods, Inc.
(2) Headquarters	4-1-38, Isobedori, Chuo-ku, Kobe-shi, Hyogo, Japan	3-10-5, Nihonbashi, Chuo-ku, Tokyo, Japan
(3) Name and title of Representative	Yoshiro Susaki, Chairman Takayuki Kanai, President	Yoshiro Susaki, Chairman Takayuki Kanai, Vice Chairman Hiroshi Tsujikawa, President
(4) Principal business activities	Importing and exporting, sales and marketing of foods, agricultural and seafood products, livestock products, daily necessities and various	Importing and exporting, sales and marketing of foods, agricultural and seafood products, livestock products, daily necessities and various

	goods	goods
(5) Paid-in capital	80 million yen	30 million yen
(6) Date of founding	October 1, 2010	October 8, 1998
(7) Fiscal year ending	December 31 of each year	December 31 of each year
(8) Major shareholder and shareholding ratio	Nishimoto Co., Ltd., 100%	Nishimoto Co., Ltd., 100%
(9) Financial position and business performance	Year ended December 2017	Year ended December 2017
Net assets	2,963 million yen	6,616 million yen
Total assets	19,734 million yen	10,920 million yen
Net assets per share	1,852,476.25 yen	11,027,737.77 yen
Net sales	11,677 million yen	46,419 million yen
Operating income	607 million yen	373 million yen
Ordinary income	171 million yen	382 million yen
Net income	93 million yen	221 million yen
Net income per share	58,549.65 yen	368,346.03 yen

4. Post-merger status

Effective January 1, 2019, the planned merger date, surviving company Nishimoto Trading Co., Ltd. will change its trade name to Wismettac Foods Co., Ltd., and Yoshiro Susaki will be appointed as Chairman and Hiroshi Tsujikawa as President, both serving as representatives (Representative Directors). No change will be made to the post-merger surviving company's headquarters address, principal business activities, paid-in capital and fiscal year.

5. Future outlook

Because the planned merger will take place on January 1, 2019, it will not affect the Company's forecasts on its consolidated and non-consolidated financial results for the year ending December 2018.