

November 13, 2019

To whom it may concern:

Company name: Nishimoto Co., Ltd.
Representative: Takayuki Kanai, President
(Code No.: 9260 First Section of the Tokyo Stock Exchange)
Contact: Atsuhiko Kimura, Director and CFO
(Phone: 03-6870-2015)

Notification Regarding Revision of Full-Year Earnings Forecast

Based on recent performance trends, the Company has revised its consolidated earnings forecast for the fiscal year ending December 2019, which was released on February 14, 2019, as outlined below.

Details

1. Revision of the consolidated earnings forecast for the fiscal year ending December 31, 2019 (from January 1, 2019 to December 31, 2019)

(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, 2019)	193,000	6,000	6,052	4,337	302.20
Revised Forecast (B)	183,000	4,500	4,618	3,227	224.89
Variance in Amount (B-A)	(10,000)	(1,500)	(1,434)	(1,110)	
Variance in Percentage (%)	(5.2)	(25.0)	(23.7)	(25.6)	
Previous year results (Fiscal 2018)	182,220	6,703	6,569	4,624	322.18

(Note) From the first quarter of the fiscal year ending December 31, 2019, the Company has changed the method for calculating retirement benefit obligations for its domestic consolidated subsidiaries from the simplified method to the standard method. Figures for the fiscal year ended December 31, 2018 have been adjusted as this change has been applied retroactively.

2. Reasons for the revisions

Net sales are expected to be lower than the projection due to our focus on securing profitability in the United States in the Asian Food Global Business and to sluggish sales of fruit and vegetable products in the Agricultural & Seafood Products Trading Business.

In terms of profits, in addition to the sales decrease mentioned above, profits in the Asian Food Global Business were affected by higher costs arising from higher additional tariffs on imports from China to the U.S. and price increases for national brand products, labor and logistics costs remaining high, and struggling sales in the U.K. (where a currency depreciation due to exchange rate fluctuations led to a rise in purchase prices, squeezing profits), while profits in Agricultural & Seafood Products Trading Business were affected by higher costs and other factors. The Company also incurred certain expenses ahead of business restructuring and business format reform. As a result, operating income, ordinary income and profit attributable to owners of parent are expected to be lower than the previous forecasts.

The Company has revised the assumed exchange rate for the full year from 110 yen to 109 yen per U.S. dollar.

3. Dividend forecast

The year-end dividend forecast for the fiscal year ending December 2019 remains unchanged from the previous forecast of 55 yen per share (95 yen per share for the full year).

(Note) The Company bases its forecasts on information available at the date of announcement of this material. Actual results may differ from these forecasts due to various factors.