

To whom it may concern:

Company name: Nishimoto Co., Ltd.
 Representative: Yoshiro Susaki, Chairman & President
 (Code No.: 9260 First Section of the Tokyo Stock Exchange)
 Contact: Yuji Sasa, Director
 (Phone: 03-6870-2015)

Notification on Recording of Valuation Loss on Inventories and Revision of Earnings Forecasts

The Company has recorded an additional valuation loss on inventories in its financial statements for the second quarter of the fiscal year ending December 2020, as outlined below. Also, based on recent performance trends, the Company has revised its consolidated earnings forecasts for the fiscal year ending December 2020, which were revised on May 14, 2020, as outlined below.

1. Recording of an additional valuation loss on inventories

Due to the spread of the new coronavirus (COVID-19), lockdowns and restrictions on business operations have been in place mainly in North America, Europe, and some other regions. As a result, sales have rapidly and drastically decreased, centered on the food service industry where the Company Group's main customers operate their businesses. Net sales have gradually recovered in the latter half of the second quarter with the gradual lifting of restrictions on business operations. However, some products are facing expiration dates due to slow inventory turnover because of sluggish sales, which may lead to a decline in sales prices and disposal losses. Therefore, we reviewed the valuation of inventories, and as a result, the Company Group recorded an additional valuation loss on inventories of 889 million yen in this consolidated cumulative second quarter.

2. Consolidated earnings for the cumulative second quarter of the fiscal year ending December 2020 (from January 1, 2020 to June 30, 2020) and differences from the same period in the previous fiscal year

(1) Differences from the same period in the previous fiscal year

(Unit: millions of yen, %)

	Net sales	Operating income	Ordinary income	Quarterly profit attributable to owners of parent	Quarterly net income per share (yen)
Previous Year 2Q Results (A) (Second quarter of the fiscal year ending December 2019)	92,181	2,568	2,664	1,878	130.86
Current Year 2Q Results (B) (Second quarter of the fiscal year ending December 2020)	79,816	(1,226)	(1,510)	(939)	(65.43)
Variance in Amount (B - A)	(12,364)	(3,794)	(4,174)	(2,817)	
Variance in Percentage (%)	(13.4)	-	-	-	

(2) Reasons for differences

As announced on May 14, 2020, we suspended the release of the consolidated earnings forecasts for the cumulative second quarter because it has been difficult to reasonably assess the impact of the spread of COVID-19. However, as of today, we have released the earnings figures.

* For details of the earnings, please refer to "Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending December 31, 2020 (Japanese GAAP)" released today.

3. Revision of earnings forecasts

- (1) Revision of the consolidated earnings forecasts for the fiscal year ending December 2020
(from January 1, 2020 to December 31, 2020)

(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 May 14, 2020)	TBD	TBD	TBD	TBD	TBD
Revised Forecast (B)	168,000	(600)	(1,000)	(500)	(34.84)
Variance in Amount (B - A)	-	-	-	-	
Variance in Percentage (%)	-	-	-	-	
Previous Year Results (Fiscal year ended December 2019)	182,603	4,343	4,543	2,493	173.71

- (2) Reasons for the revision of earnings forecasts

There still are great uncertainties about the global economic outlook, including the possible resurgence of COVID-19. However, since the lifting of lockdowns and restrictions on business operations was started in the latter half of the second quarter, economic activities have been gradually resumed in countries across the world. In the food service industry where the Company's main customers operate their businesses, services have been resumed and service styles have shifted to take-out and delivery. Under these circumstances, we can forecast sales trends towards the year-end to a certain extent, so we have revised our forecasts as stated above, taking into account the impacts on the Company and other factors at this time.