



February 12, 2021

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)
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Notification Regarding Variance between Earnings Forecast for Fiscal Year Ended December 2020 and Actual Results and Revision of Dividend Forecasts

The Company hereby notifies the occurrence of a variance between its earnings forecast for the fiscal year ended December 2020, which was released on August 13, 2020, and actual results announced today as outlined below.

Also, the Company has revised its year-end dividend forecast for the fiscal year ended December 2020, which was released on May 14, 2020, as outlined below.

1. Variance between earnings forecast and actual results

(1) Variance between earnings forecast for the fiscal year ended December 2020 and actual results

(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 August 13, 2020)	168,000	(600)	(1,000)	(500)	(34.84)
Results (B)	168,449	1,982	1,715	1,016	70.80
Variance in Amount (B - A)	449	2,582	2,715	1,516	
Variance in Percentage (%)	0.3	-	-	-	
(Reference) Previous Year Results (Fiscal year ended December 2019)	182,603	4,343	4,543	2,493	173.71

(2) Reason for the variance

In and after March 2020, due to the spread of new coronavirus (COVID-19), economic activities were restrained all over the world by the implementation of countermeasures, such as state of emergency declarations and lockdowns. Facing a very stern business outlook, the Company announced on August 13, 2020 a revision of earnings forecast for the fiscal year ended December 2020.

While operating activities continued to be restricted in and after the third quarter, full-year results exceeded the previous forecast mainly owing to the following factors: i) Selling, general and administrative expenses were smaller than the forecast due to the promotion of efficient operation mainly through the reduction of selling, general and administrative expenses particularly at overseas business sites and subsidies for employment maintenance provided by national governments both in Japan and overseas; ii) The profitability of the Agricultural & Seafood Products Trading Business improved; and iii) In consideration of the latest status of collection of receivables, circumstances of major customers, and the future sales potentials of inventories, the Company recorded a reversal of about 1.2 billion yen of the provision for the allowance for doubtful accounts and the valuation loss on inventories that were recorded in the first quarter and the second quarter.

2. Revision of dividend forecast

(1) Dividend forecast for the fiscal year ended December 2020

	Annual dividend (yen)		
	Second-quarter end	Year-end	Total
Previous Forecast (Announced on May 14, 2020)	TBD	TBD	TBD
Revised Forecast	-	20.00	20.00
Current Year Results	0.00	-	-
(Reference) Previous Year Results (Fiscal year ended December 2019)	40.00	55.00	95.00

(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 as an important indicator of how appropriate a dividend payment is, and targets a dividend payout ratio on a consolidated basis of approximately 30% for each fiscal year. As notified in “Notice on Dividend of Surplus (Interim Dividend)” released on August 13, 2020, the business environment deteriorated due to the spread of COVID-19, and the Company posted a consolidated net loss of 939 million yen for the first half of the fiscal year ending December 2020. Therefore, we regrettably decided not to pay an interim dividend for the fiscal year ending December 2020.

Our forecast of year-end dividend for the fiscal year ending December 2020 has been revised to 20.00 yen per share based on the policy mentioned above and the full-year earnings results announced today.

Note: The forecast above is prepared based on the information currently available to us as well as certain assumptions that we consider are reasonable. Actual results may significantly deviate from the forecast due to various factors.