



August 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 Consolidated Earnings Forecasts and Actual Results for the Cumulative Second Quarter of the Fiscal Year Ending December 2021,
 Revision of Consolidated Earnings Forecasts for the Fiscal Year Ending December 2021, and Revision of Dividend of Surplus (Interim Dividend) and Year-End Dividend Forecast

Nishimoto Co., Ltd. ("the Company") hereby notifies the occurrence of a variance between its consolidated earnings forecasts and actual results announced on February 12, 2021 for the cumulative second quarter (from January 1, 2021 to June 30, 2021) of the fiscal year ending December 2021 and the revision of the consolidated earnings forecasts for the fiscal year ending December 2021 as outlined below.

At the Board of Directors meeting held on August 12, 2021, the Company resolved to pay a dividend of surplus (interim dividend) with June 30, 2021 as the record date. Also, the Company has revised its year-end dividend forecast for the fiscal year ending December 2021 as outlined below.

1. Variance between consolidated earnings forecasts and actual results and the revision of consolidated earnings forecasts for the fiscal year ending December 2021

(1) Variance between consolidated earnings forecasts and actual results for the cumulative second quarter (from January 1, 2021 to June 30, 2021) of the fiscal year ending December 2021

(Unit: millions of yen, %)

	Net sales	Operating income	Ordinary income	Quarterly profit attributable to owners of parent	Quarterly net income per share (yen)
Previous Forecasts (A) (Announced on February 12, 2021)	90,000	600	450	300	20.90
Results (B)	99,917	3,275	3,334	2,587	180.26
Variance in Amount (B - A)	9,917	2,675	2,884	2,287	
Variance in Percentage (%)	11.0	445.9	641.0	762.4	
(Reference) Previous Second Quarter Results (Second quarter of the fiscal year ended December 2020)	79,816	(1,226)	(1,510)	(939)	(65.43)

- (2) Revision of consolidated earnings forecasts for the fiscal year ending December 2021 (from January 1, 2021 to December 31, 2021)

(Unit: millions of yen, %)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share (yen)
Previous Forecasts (A) (Announced on February 12, 2021)	187,000	2,000	1,700	1,000	69.67
Revised Forecasts (B)	200,000	5,500	5,100	3,800	264.75
Variance in Amount (B - A)	13,000	3,500	3,400	2,800	
Variance in Percentage (%)	7.0	175.0	200.0	280.0	
(Reference) Previous Year Results (Fiscal year ended December 2020)	168,449	1,982	1,715	1,016	70.80

- (3) Reasons for the variance and revision

During the cumulative second quarter under review, restrictions have been eased as vaccination rates rise mainly in Europe and the U.S., which resulted in a rebound in demand, and sales recovered more than initially expected. Looking at profits, the Company recorded a significant increase in profits due to sales increase, expansion of products for delivery and take-out services and grocery stores, implementation of measures such as proactive price adjustments in anticipation of soaring raw material, sea freight, labor, and other costs, and reduction of SG&A expenses.

For the earnings forecasts for the full fiscal year ending December 2021, we made revisions as above, taking into account factors that require continued attention, such as sluggish growth due to the spread of mutant strains mainly in Asia, appreciation in product procurement costs and delivery-related costs due to global logistics disruptions and soaring sea freight rates, etc.

2. Revision of the dividend of surplus (interim dividend) and year-end dividend forecast

- (1) Details of the dividend of surplus (interim dividend)

	Determined amount	Most recent dividend forecast (announced on February 12, 2021)	Results for the previous term (interim dividend for the fiscal year ended December 2020)
Record date	June 30, 2021	Same as on the left	June 30, 2020
Dividend per share	35.00 yen	TBD	0.00 yen
Total amount of dividend	502 million yen	-	-
Effective date	September 16, 2021	-	-
Source of dividend	Retained earnings	-	-

(2) Details of the revision of year-end dividend forecast

	Annual dividends (yen)		
	Second quarter-end	Year-end	Total
Previous Forecast (Announced on February 12, 2021)	-	20.00	20.00
Revised Forecast	-	45.00	80.00
Current Year Results	35.00	-	-
(Reference) Previous Year Results (Fiscal year ended December 2020)	0.00	20.00	20.00

(3) 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 to maintain an annual dividend payout ratio of approximately 30% on a consolidated basis.

Regarding dividends for the fiscal year ending December 2021, by comprehensively taking into account the business environment surrounding the Company Group, its future business outlook and other factors, the Company will pay an interim dividend of 35 yen per share at the end of this second quarter as stated above, and has revised its forecast for the year-end dividend per share to 45 yen per share. As a result, the annual dividend for the current fiscal year will be 80 yen per share.

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.