



August 12, 2022

To whom it may concern:

Company name: Nishimoto Co., Ltd.
Representative: Yoshiro Susaki, Chairman, President & CEO
(Code No.: 9260 Prime Market of the Tokyo Stock Exchange)
Contact: Yuji Sasa, Director, Managing Executive Officer, CFO
(Phone: 03-6870-2015)

**Notice Regarding Revision of Consolidated Earnings Forecasts for
the Fiscal Year Ending December 2022, and Revision of Dividend of Surplus (Interim Dividend)
and Year-End Dividend Forecasts**

Nishimoto Co., Ltd. ("the Company") hereby notifies the revision of the consolidated earnings forecasts for the fiscal year ending December 2022 (January 1, 2022 to December 31, 2022), which was announced on May 13, 2022, as outlined below.

At the Board of Directors meeting held on August 12, 2022, the Company resolved to pay a dividend of surplus (interim dividend) with June 30, 2022 as the record date. Together with this, the Company also revises its year-end dividend forecast for the fiscal year ending December 2022, which was announced on May 13, as outlined below.

1. Revision of consolidated earnings forecasts for the fiscal year ending December 2022

(1) Revision of consolidated earnings forecasts for the fiscal year ending December 2022 (from January 1, 2022 to December 31, 2022)

(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 May 13, 2022)	254,000	9,000	9,000	6,000	418.03
Revised Forecast (B)	265,000	10,500	10,500	7,000	487.70
Variance in Amount (B - A)	11,000	1,500	1,500	1,000	
Variance in Percentage (%)	4.3	16.7	16.7	16.7	
(Reference) Previous Year Results (Fiscal year ended December 2021)	213,248	7,301	7,204	5,028	350.34

(2) Reason for the revision

As for the consolidated earnings forecasts for the fiscal year ending December 2022, net sales are expected to recover steadily. Besides, we have considered the price competition phase as the supply-demand balance moves toward normalization, and the impact of higher purchase costs, ocean freight, and logistics costs on profit margins. Even though the business environment in this consolidated cumulative second quarter was as assumed as described above, we could maintain profit levels that absorbed cost increases to a certain extent, especially in our mainstay North American region, and the effect of currency translation resulting from the weaker yen boosted our income.

There is a strong sense of uncertainty about the business environment toward the end of the current fiscal year, including further increases in expenses and the impact of prolonged inflation on consumer trends. However, we have decided to revise our consolidated earnings forecast, considering the first half results and the positive effect on income resulting from the continued trend of yen's depreciation.

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 May 13, 2022)	Results for the previous term (Interim dividend for the fiscal year ended December 2021)
Record date	June 30, 2022	Same as on the left	June 30, 2021
Dividend per share	70.00 yen	65.00 yen	35.00 yen
Total amount of dividend	1,004 million yen	-	502 million yen
Effective date	September 16, 2022	-	September 16, 2021
Source of dividend	Retained earnings	-	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 May 13, 2022)	65.00	60.00	125.00
Revised Forecast	-	75.00	145.00
Current Year Results	70.00	-	-
(Reference) Previous Year Results (Fiscal year ended December 2021)	35.00	70.00	105.00

(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 2022, 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 70 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 75 yen per share. As a result, the annual dividend for the current fiscal year will be 145 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.