

Message to Shareholders

We would like to express our sincere gratitude to our shareholders and investors for their ongoing support.

In October of last year, the Company announced its Medium-Term Business Plan (2024-2026), and in this fiscal year, the first year of the plan, steadily advanced initiatives aimed at achieving medium- to long-term growth and strengthening its earning capacity.

In its mainstay Asian Food Global Business (AFB), in addition to its traditional sales channels, mainly in North America, the Company has actively expanded its sales channels to major local retailers that will boost future sales and profits, and has built the foundation for a significant leap forward. In Europe, we are standardizing our operations to realize economies of scale while actively expanding our operating base, the effects of which are beginning to emerge. Also, we are standardizing all processes and promoting digitalization and AI across the AFB, improving profitability and capital efficiency. In the Agricultural Products Trading Business, we restructured our revenue model and implemented painful reforms this fiscal year, prioritizing ensuring stable revenue from the next fiscal year onwards.

In addition, we are moving forward with the launch of a BPE (Business Process Excellence) division to promote the food industry solutions business, a strategic investment area.

The Company will focus on various challenges facing the food value chain from the perspective of a company involved in the food industry, as well as develop, provide, and monetize solutions.

The environment surrounding the food industry is constantly changing due to the accelerating evolution of various technologies, the personalization of needs, and the imposition of high-level safety and environmental considerations. In this environment, the Company continues to take on innovative changes. However, it is vital to deliver fresh eating experiences and ensure enjoyable daily lives for people worldwide through the global spread of Asian foods and Japanese fruits and vegetables. The Company is expected to provide solutions that transform various challenges and needs in the food world and contribute to the happiness and prosperity of those involved in the food industry. These purposes will never change. The Company will continue to work hard to realize these growth strategies in its Medium-Term Business Plan and achieve medium- to long-term growth.

Yoshiro Susaki Chairman & CEO

Yuji Sasa President, Director of the board,
Managing Executive Officer, COO, CFO

Discover
more
about!

Wismettac Group

In this issue, we will introduce **our Initiatives for medium-and long-term growth.**

We are focusing on medium- to long-term growth and are implementing various measures. Based on the policies of the mid-term business plan announced in October 2023, we will introduce the measures and initiatives we are focusing on in each segment.

Asian Food Global Business (AFB)

Aim to Become a global SPA for Asian Foods by responding quickly to consumer and customer needs by connecting menu and product planning with manufacturing and sales, selling PB/NB at optimal costs.

▶ what we aim to be



Sales

◆ Develop new sales channels and broaden the customer base in North America

- » Secure sales volumes by increasing the number of accounts and sales for the mainstream sales channels

◆ Expand base and area coverage through M&A, equity investment, etc.

Product

◆ Expand the PB “Shirakiku” lineups: Focus on product lineups and price ranges that meet customer needs

◆ Uncover and develop products for the mainstream sales channels

SCM

◆ Advance the SCM improvement project in North America

- » Centralized management of logistics-related data and strengthening of traceability
- » Improved efficiency of procurement processes and logistics operations

Agricultural Products Trading Business

Domestic business

- ◆ Carry out structural reform to recover profitability
 - » Review the organization structure
 - Implement the voluntary retirement program and Integrate the sales bases
 - » Concentrate resources on priority products
 - Narrow the scope of products handled

Overseas, export, etc.

- ◆ Export of Japan-grown fruits and vegetables
 - » Advance the expansion of overseas sales channels, including Asian countries
- ◆ Global production and sales of Japanese varieties
 - » The trial cultivation of “Kimito,” an apple variety developed by Hirosaki University, began in South Africa. The Company aims to sell Japanese fruit varieties throughout the year by supplying them from both Japan and the Southern Hemisphere.



Others

Amenities Business

- ◆ Expand high-value-added product lineups and propose a new style of diet
 - » Opening of Chocolat Trouver, a permanent store selling premium high-end brand chocolates, in Omotesando
 - » Started handling new brand Nordic Tex-Mex ‘Santa Maria’
- ◆ Transform business structure to be less susceptible to exchange rate fluctuations
 - » Boost sales bases by stepping up efforts to develop and sell full-year product lineups based on domestic production in addition to seasonal products for St. Valentine's Day, and other events.
 - » Develop new sales channels with exports to overseas markets in mind



Wismettac Business Development

- ◆ Establishment of Wismettac Ventures LLC, an investment subsidiary (May 2024)
 - » Invest in venture capital funds, etc., that focus on food areas

Investment results

 Invest in No. 2 Investment Limited Partnership of Future Food Fund, a corporate venture capital (CVC) fund run by Oisix ra daichi Inc., which specializes in food areas
 - » Aim for synergies with startups financed by VC and the creation of new businesses
- ◆ Provide a new flow of merchandise through Privateport Co., Ltd.
 - » Improve services and DX support for suppliers

Create new businesses based on multiple perspectives

Digital

DX solution based on the concept of “food digital”

Food Tech

New Business

Start-up Investments

Product development based on the concept of “food medicine” solutions utilizing FoodTech

Alliances with domestic and overseas ventures and solution development through investment

TOPICS

First arrival in Japan of Santa Maria, Europe's No. 1* Tex-Mex (Texas-style Mexican) brand

Wismettac Foods, Inc. began selling the Santa Maria brand in June 2024 as an authorized distributor in Japan. Santa Maria is a taco brand born in Sweden in Northern Europe and is now sold in 43 countries worldwide. Tacos, which are easy to prepare and contain meat and vegetables, have become a staple weekend dish in Swedish homes, as the phrase “Friday is Taco Day” suggests. Wismettac Foods will propose this Nordic food lifestyle to the Japanese market through this brand.

*Research by Paulig, based on 2022 Nielsen/POS data

Photographs provided by Paulig Group



Key points of our financial results

- » Net sales grew year-on-year in the Asian Food Global Business (AFB), the Company's key segment.
- » Operating income fell year-on-year but remained at the midterm forecast level*.
- » Mainly due to the implementation of the voluntary retirement program associated with the structural reform of the Agricultural Products Trading Business, an extraordinary loss of about 300 million yen was reported as business restructuring expenses.

*Revised interim forecast

Overview of business performance up to the end of the first half of the FYE December 2024

With respect to the financial results for the current mid-term accounting period, net sales stood at 166.7 billion yen (20.4 billion yen increase year-on-year), operating income amounted to 3.9 billion yen (1.8 billion yen decrease year-on-year), ordinary income amounted to 4.3 billion yen (2.1 billion yen decrease year-on-year), and mid-term profit attributable to owners of parent totaled 2.4 billion yen (2.0 billion yen decrease year-on-year). Although net sales increased due to factors such as the recognition of Italy's Uniontrade S.p.A. as a consolidated subsidiary and the impact of foreign exchange conversion due to the weak yen, operating income ended up at the same level as the revised interim forecast announced with the first quarter financial results. In addition, during this interim period, the Company recorded an extraordinary loss of approximately 300 million yen as a business restructuring expense due to the restructuring of domestic operations in the Agricultural Products Trading Business.

In the AFB, the Company implemented sales measures to develop new business opportunities in North America, which has the most significant business scale. This led to a net sales increase through expanding sales channels, customer accounts, and sales volume. On the other hand, higher labor costs, rent, and delivery and operation costs due to increased volume led to a year-on-year increase in selling, general, and administrative expenses, resulting in a decrease

in operating income.

In the Agricultural Products Trading Business, net sales decreased year-on-year due to the impact of the Company narrowing down its product range and making purchasing adjustments in the domestic fruit and vegetable business. Regarding profits, although the Company worked to stabilize income by narrowing down its product lineup and reframing its cost structure, it recorded a significant operating loss in the first quarter and continued to face harsh business environments, including the impact of the weak yen and rising costs, resulting in a year-on-year decrease in profits. The overall result of the Agricultural Products Trading Business was harsh, but some businesses, such as selling frozen and processed foods to the restaurant industry and convenience store chains, managed to secure a profit due to effective price adjustments.

Regarding the balance sheet, both assets and liabilities increased, mainly due to the impact of foreign exchange conversion caused by the weak yen.

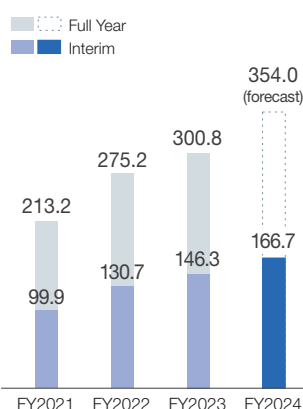
As of the end of June 2024, the equity ratio was approximately 39%, down approximately one percentage point from the end of the previous fiscal year. The Company remains in a sound financial position, maintaining the target level of 30% to 40% that was announced in the financial policy of the Medium-Term Business Plan in October 2023.

Net sales

(billion yen)

166.7 billion yen

(Changes Year on Year +14.0%)

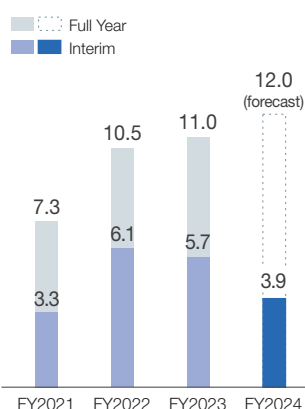


Operating income

(billion yen)

3.9 billion yen

(Changes Year on Year (31.3%))

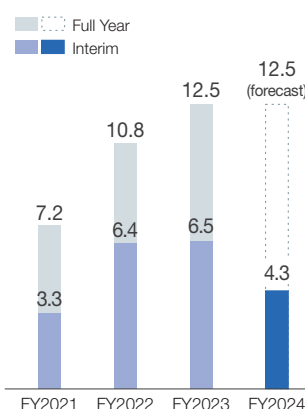


Ordinary income

(billion yen)

4.3 billion yen

(Changes Year on Year (32.8%))

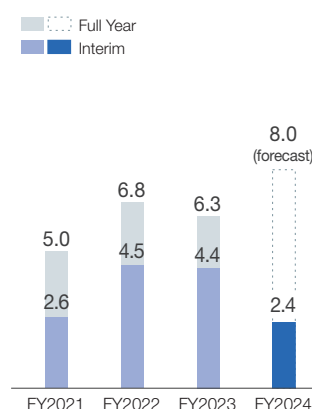


Profit attributable to owners of parent

(billion yen)

2.4 billion yen

(Changes Year on Year (45.1%))



	FY ended December 2023		FY ended December 2024	
	Interim	Full Year	Interim	Full Year (forecast)
Net sales	146.3 billion yen	300.8 billion yen	166.7 billion yen	354.0 billion yen
Operating income	5.7 billion yen	11.0 billion yen	3.9 billion yen	12.0 billion yen
Ordinary income	6.5 billion yen	12.5 billion yen	4.3 billion yen	12.5 billion yen
Profit attributable to owners of parent	4.4 billion yen	6.3 billion yen	2.4 billion yen	8.0 billion yen
(Average USD exchange rate during the period/ Actual)	(134.85yen)	(140.56yen)	(152.25yen)	

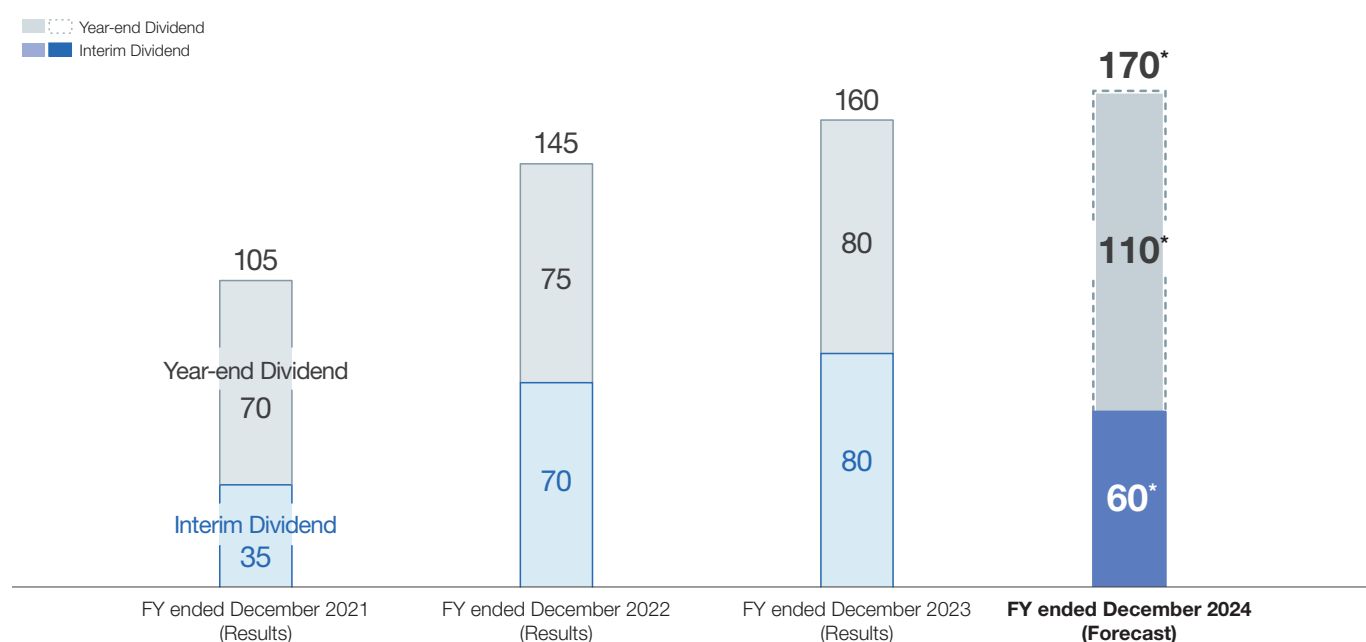
Policy on shareholder returns and dividends

Our basic policy for shareholder returns is to continue paying stable dividends while securing internal reserves for future business development and strengthening our financial position. Based on this basic policy and its interim performance, the Company will pay an interim dividend of 60

yen per share. It also plans to pay a year-end dividend of 110 yen per share for a total annual dividend of 170 yen.

As a result of the stock split carried out on July 1, 2024, at a ratio of three common shares for each common share, the year-end dividend after the split will be 36.66 yen per share.

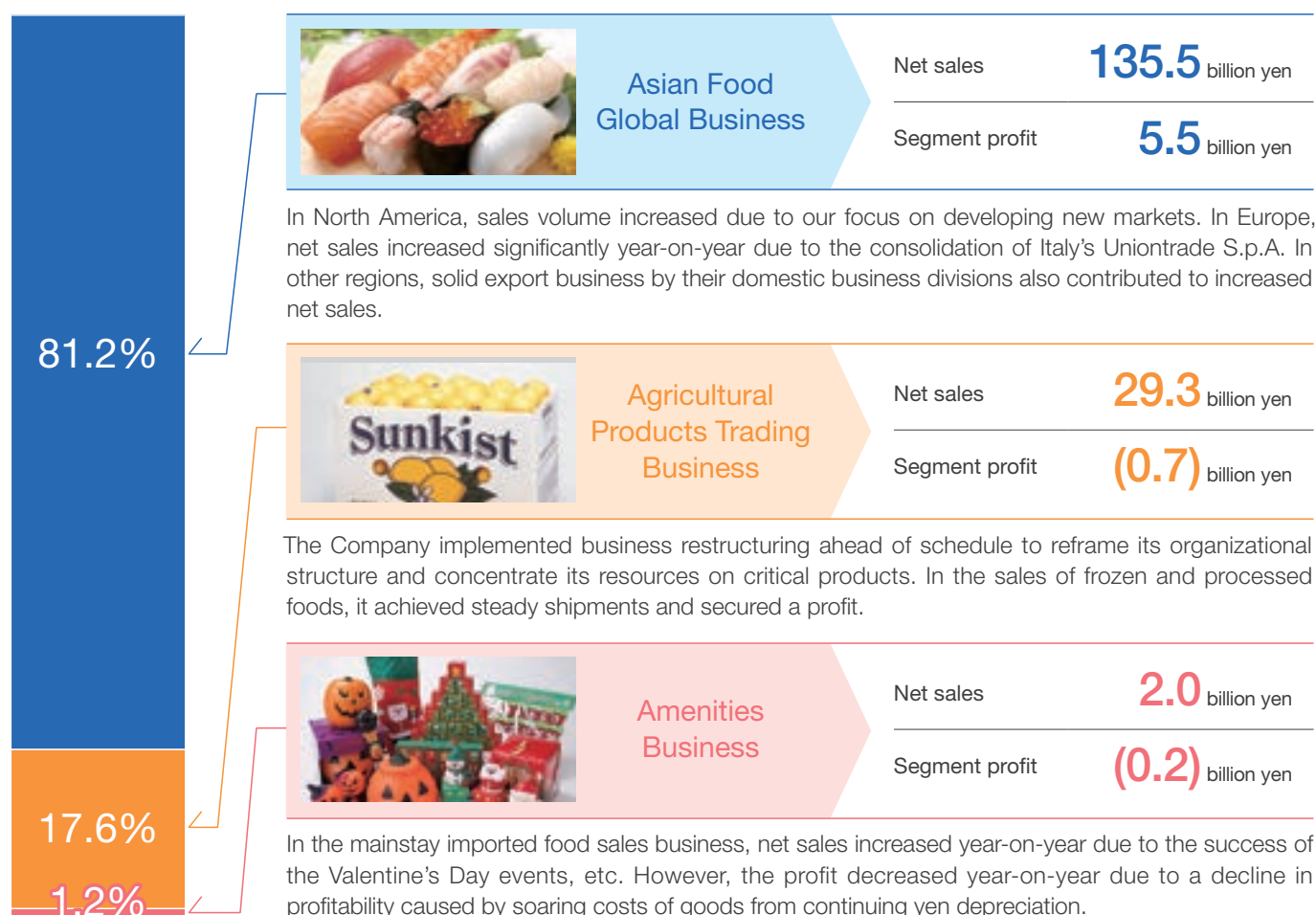
Dividend per share (yen)



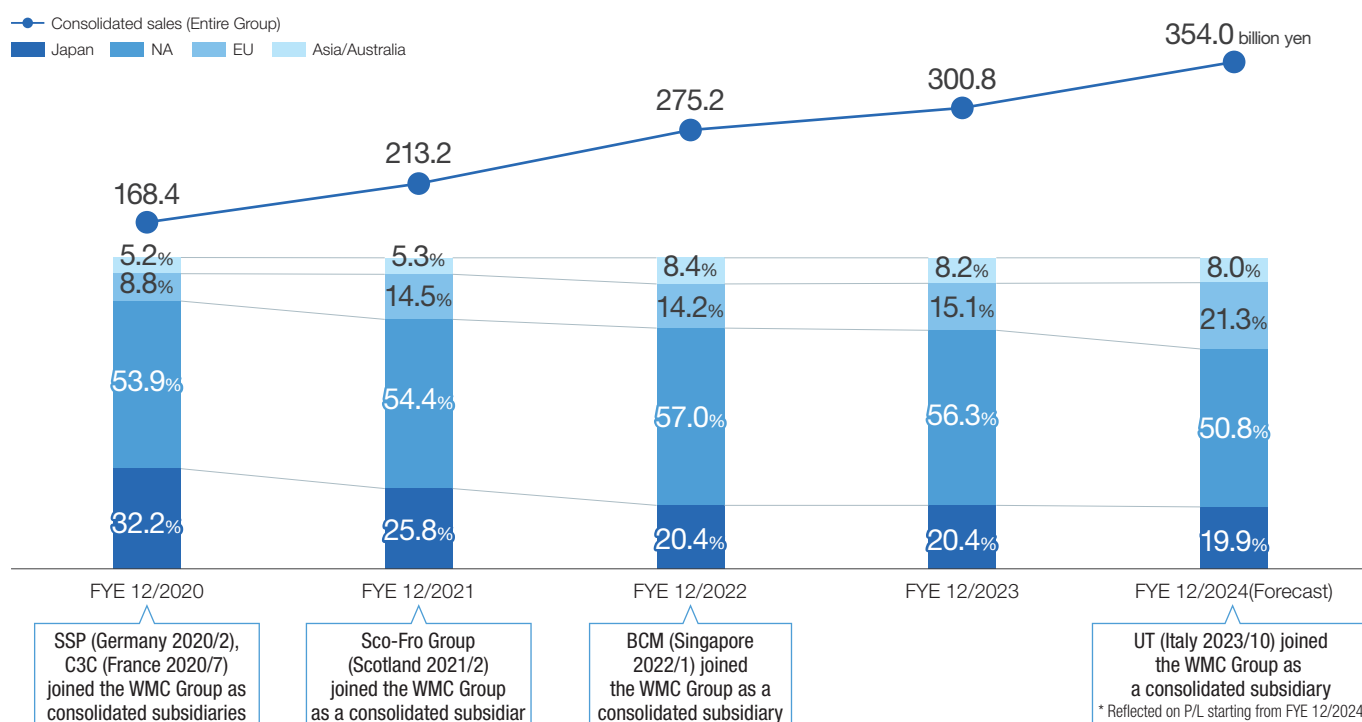
*The dividend forecast for the fiscal year ending December 2024 does not take into account the impact of the stock split.

Interim results for the FYE December 2024 by segment

Composition of sales



Sales Composition Ratio by Region



○ Directors

Chairman & CEO	Yoshiro Susaki
President, Director of the board, COO, CFO	Yuji Sasa
Director Executive Vice President	Hiroyuki Shinkai
Outside Director	Hajime Arai
Director (Full-time Audit & Supervisory Committee Member)	Toshiyuki Nishikawa
Outside Director (Audit & Supervisory Committee Member)	Kimikazu Nomi
Outside Director (Audit & Supervisory Committee Member)	Yukiko Omura

○ Worldwide Network

[Click here](#) for information on our domestic and international business sites. >

○ Shareholder Memo

[Click here](#) for clarifications and procedures. >

Shareholder Registry Administrator	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Office of Shareholder Registry Administrator	Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo

○ Stock Information

Total Number of Shares Authorized	50,000,000
Total Number of Shares Outstanding	14,353,140
Number of Shareholders	6,550

○ Major Shareholders

Shareholder Name	Number of shares held (thousands)	Shareholding ratio (%)
Tatsumi Sangyo Co., Ltd	6,235	43.7
Yoshiro Susaki	2,485	17.4
Susaki Welfare Foundation	1,300	9.1
The Master Trust Bank of Japan, Ltd. (trust account)	588	4.1
Mizuho Trust & Banking Co., Ltd. (trust account)	249	1.8
NORTHERN TRUST CO. (AVFC)RE FIDELITY FUNDS	234	1.6
Custody Bank of Japan, Ltd. (trust account)	154	1.1
GOVERNMENT OF NORWAY	146	1.0
Nomura Securities Co., Ltd.	123	0.9
JPMorgan Securities Japan Co., Ltd.	94	0.7

(Note) In calculating shareholding ratios, 99,441 shares of treasury stock are excluded.

Nishimoto Co., Ltd.

Nihonbashi-Muromachi Mitsui Tower 15F, 3-2-1
Nihonbashi-Muromachi, Chuo-ku, Tokyo 103-0022
Tel: +81-3-6870-2015 Fax: +81-3-6870-2016

Special Benefits for Shareholders

We annually offer special benefits for shareholders to express our appreciation for their long-standing support.



Notice concerning the shareholder benefit program

The Company offers special gifts to shareholders registered in the shareholders' directory as of December 31 each year, in proportion to the number of shares held. The new shareholder benefit program accompanying the stock split to be executed on July 1, 2024 will be applied starting with the gifts to be presented to our shareholders registered in the shareholders' directory as of December 31, 2024.

(Reference) Outline of the new shareholder benefit program

① Shareholders covered by the system
(for shareholders as of 31 December 2024)

Shareholders who hold 3 or more units (300 shares) of our company's stock, **as recorded or registered in our company's shareholder register as of the end of December.**

<https://www.hello-worldgift.com/?lang=en>

★First-time users need to register for membership.

② Special benefits

We presented special benefit tickets, which included coupon codes (one coupon code was equivalent to 3,000 yen) that could be used at the online shopping site "Nishimoto World Gift" run by our Group. The tickets were placed in the notice of resolutions of the regular general meeting of shareholders, sent in late March.

保有単元数 (保有株式数)	Number of coupon codes
(300 shares or more and less than 1,000 shares)	1 (equivalent to 3,000 yen)
(1,000 shares or more and less than 2,000 shares)	2 (equivalent to 6,000 yen)
(2,000 shares or more)	3 (equivalent to 9,000 yen)

*Only one coupon code can be used for one round of product purchases.

The coupon codes sent to shareholders at the end of December 2023 can be used during the period from **April 2024 to the end of December 2024.**

For inquiries, call the World Gift Customer Service, Wismettac Foods, Inc., on

0120-096-810

9:00~17:00
(Excluding Saturday, Sundays, national holidays,
and year-end and New Year holidays)