

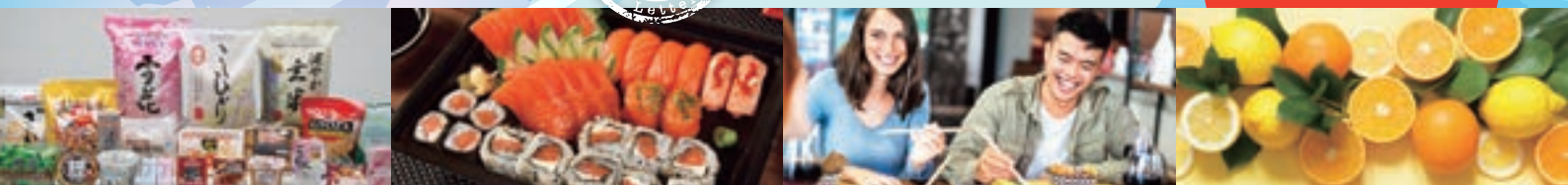
Wismettac Letter

Business Report

2022.1.1-2022.6.30



Global solutions company
that solves various problems
faced by the food industry worldwide
and creates and offers new value



Discover
more
about!

Nishimoto Wismettac Holdings

This report highlights Nishimoto's distribution business of Japanese food in the **Southeast Asia**

Wismettac Group in South-East Asia Area

In recent years, increasing numbers of tourists have been coming to Japan from Southeast Asian countries. Along with this trend, Japanese food has become increasingly popular in these countries and is always ranked high on the list of "favorite foreign cuisines." Japanese restaurants can be found in shopping malls and food courts, so Japanese food is no longer a rare foreign cuisine, but is becoming part of the local diet. The Japanese food market in Southeast Asia is expected to grow even more significantly in the future. At the same time, Japanese food is not only being served in restaurants, but also being sold in supermarkets and take-aways for eating at home.

Long before this Japanese food boom, the Wismettac Group was not only exporting Japanese food products from Japan, but has also established a representative office in Thailand and a local subsidiary in Singapore. We have built up a sales network of agricultural, fishery products and processed foods for supermarkets and restaurants in those regions.

Our Singapore subsidiary, NTC Wismettac Singapore Pte. Ltd., currently supplies raw materials to sushi, tempura, and ramen restaurants, as well as wholesaling processed foods to retail mass merchandisers.

Furthermore, in January 2022, Ban Choon Marketing Pte.Ltd., one of Singapore's leading fresh fruit and produce and processed food wholesalers, became a subsidiary of our Group. Its customers include major retailers, e-commerce companies, restaurants, and hotels. We will focus on further business growth in the region by combining the Wismettac Group's strengths – its global produce procurement network and expertise in Japanese food sales – with its broad customer base.



Ban Choon Marketing Pte. Ltd. Joins the Group

Our Singapore corporation, NTC Wismettac Singapore Pte.Ltd., has recently acquired Ban Choon Marketing Pte. Ltd., one of Singapore's leading wholesalers of fruit and vegetables, as a subsidiary.

Ban Choon Marketing Pte. Ltd. has major retailers, e-commerce companies, restaurants, and hotels as its customers. It distributes fresh fruit, produce and processed foods to these businesses. Through this acquisition, Ban Choon Marketing Pte. Ltd. aims to further grow its business by leveraging the Wismettac Group's strengths in global fruit and vegetable procurement. In addition, they will also focus their efforts on expanding their sales network infrastructure, including future development for grocery stores in the Southeast Asian region.

TOP MESSAGE

The Wismettac Group was founded in 1912 as a food trading company. Since then, we have been able to continue our development. This would not have been possible without your support.

There have been many changes in the business environment over the past 110 years. However, the ongoing digital revolution in food and the changes in the global business environment due to the pandemic may be once-in-a-century events. Changing food lifestyles, SDGs, and the rise of anti-globalization and destabilization of international relations are all triggering a global paradigm shift in the food industry.

In such an environment, the Group is promoting the networking of its worldwide commercial and logistics infrastructure and the

networking of its business partners. We will also promote the transformation into a business that distributes the followings:

1. Food Products (stable supply and food developed in-house from the customers' point of view)
2. Digital Solutions
3. Food Tech Solutions

For the next 100 years, we will strive to continue to provide unique value as an international solutions company in the food industry worldwide. We appreciate your continued support and cooperation.

Yoshiro Susaki Chairman & President CEO

Mid-term Business Plan 2022-2024

Purpose

Contribution to society as a company in the food industry

Contribute to the well-being of humanity through providing the most cutting-edge and powerful solutions to customers and the food industry around the world

Mission

Our business model to bring our Purpose a reality

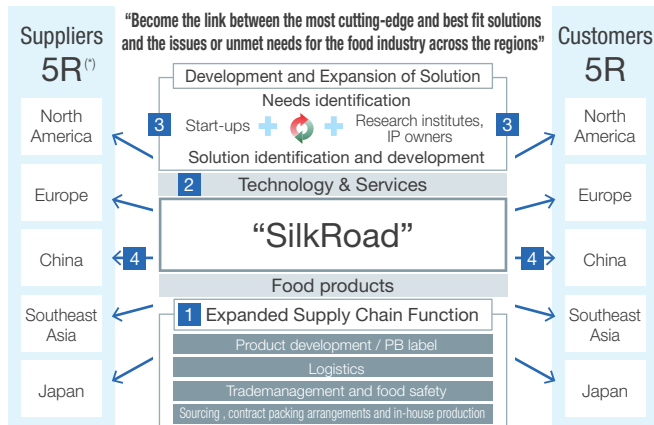
Become the link between the most cutting-edge and best fit solutions and the issues or unmet needs for the food industry across the regions

To accomplish our mission, we will commit ourselves to evolving our cross-border supply chain into the "Silk Road in Food Industry".

Providing Japanese food, fruit and vegetables, and imported processed foods
→ Providing every type of solutions from food to technology and services

"FromJapantotheWorld"& "FromtheWorldtoJapan" → "World-to-World" -Interactive business in five regions

Our Future Vision and Business Concept



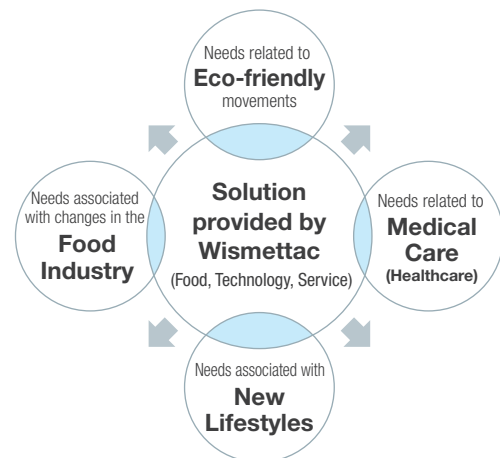
(*) 5 Regions – five regions around the world.

Mission of Wismettac

- 1 Strengthen further the supply chain functions we have cultivated to date.
- 2 Develop "technology and service" solutions for identified needs throughout our network within the food industry in the 5R (North America, Europe, China, Southeast Asia, and Japan).
- 3 Assist external research institutes and start-ups to scale up by sharing knowledge gained from our solution development.
- 4 Expand our products, services, and new solutions, created from the 3rd point, to the 5R.

Development of New Solutions - Projects under feasibility study. (extracts)

"Deskilled" product development (ready-to-eat product, etc.)	5 Regions
Business to improve the quality of life through foods for the sick and elderly	China/Japan
BtoB e-commerce platform business for purchasing food products and ingredients	Japan
Support for resource-saving farming technology	Japan/ Australia/ US
Identify business ideas and solutions	
Collaboration with Startups, universities, research institutes, and VCs	Japan/Europe/ China



Target Figures

		(billion yen)				
		FY2021 Results	FY2022 Revised forecast	FY2023	FY2024	Comments
Entire company	Sales	213.2	254.0	279.2	304.5	Both existing and new sales grew, and we will continue to invest in and reinforce systems for mid-to long-term growth.
	Profit	7.3	9.0	9.5	10.0	

(*) This is based on the May 2022 announcement. FY2022 figures were revised upwards in August after the medium-term plan was published, due to changes in the expected exchange rate and other factors.

Overview of Business up to Q2 2022

For the first six months of FY2022, the Company achieved its highest ever results for the first six months of the year, with net sales of 130.7 billion yen (up 30.8 billion yen year-on-year), operating profit of 6 billion yen (up 2.7 billion yen year-on-year), ordinary profit of 6.4 billion yen (up 3.1 billion yen year-on-year) and net profit attributable to shareholders of the parent company of 4.5 billion yen (up 1.9 billion yen year-on-year).

By segment, both sales and operating profit increased significantly in the mainstay Asian Food Global Business. This was due to growth in sales to restaurants, particularly in North America. In addition to this, sales to grocery shops, which have underpinned sales since the outbreak of the COVID-19 pandemic, also remained strong, resulting in a significant increase in sales. The significant increase in profits was due to our efforts to maintain a stable supply of products and service levels in the face of continuing supply shortages in the market as a whole. We were also successful in our efforts to pass on increased costs due to inflation and other factors to our customers at appropriate prices.

In the Agricultural & Seafood Products Trading Business, our main product, imported fruit, faced difficult sales conditions in the domestic

market, as a result of factors such as a decline in price competitiveness against domestically produced fruit and vegetables. This was driven by inflation in the producing countries, soaring ocean freight costs, increased logistics-related costs due to disruption of arrival schedules, and the ongoing depreciation of the yen, all of which led to higher procurement costs.

Operating results for the second quarter of the term to December 2022

Net sales	130.7 billion yen
Operating income	6.0 billion yen
Ordinary income	6.4 billion yen
Quarterly profit attributable to owners of the parent	4.5 billion yen

Revision of Annual Profit Earnings Forecasts for the Fiscal Year Ending December 2022

In our Annual Profit Earnings Forecasts for the Fiscal Year Ending December 2022, we believed that a steady recovery in sales could be expected. At the same time, however, we took into account the possibility of downward pressure on profit margins due to price adjustments and increased costs caused by competition with other companies as the supply-demand balance continues to move towards normalization. Although the business environment in the first half of the year was broadly

in line with these expectations, strong sales, particularly in the mainstay North American region, as well as the effect of currency exchange due to the weaker yen, boosted profits.

We have revised our Annual Profit Earnings Forecasts for the Fiscal Year Ending December 2022 as shown in the table below, taking into account these strong first-half results and the positive impact of the continued depreciation of the yen.

	Before revision (Announced in May) Full Year	After revision Full Year	Amount of change	Interim (Actual)
Net sales	254.0 billion yen	265.0 billion yen	+11.0 billion yen	130.7 billion yen
Operating income	9.0 billion yen	10.5 billion yen	+1.5 billion yen	6.0 billion yen
Ordinary income	9.0 billion yen	10.5 billion yen	+1.5 billion yen	6.4 billion yen
Net income attributable to owners of parent	6.0 billion yen	7.0 billion yen	+1.0 billion yen	4.5 billion yen
(Average USD exchange rate during the year)	(120.00)	(127.00)		(122.89)

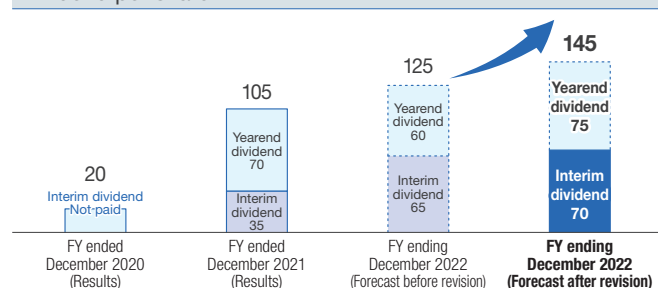
Message to Shareholders

The Company's basic policy on shareholder returns is to continue to pay stable dividends, with a target consolidated payout ratio of 30 % for the full year, while securing internal reserves for future business development and financial strength.

In light of this policy and the revised Annual Profit Earnings Forecasts, we have revised our interim dividend to 70 yen per share and increased our year-end dividend to 75 yen per share. The forecast dividend for the year is therefore 145 yen per share.

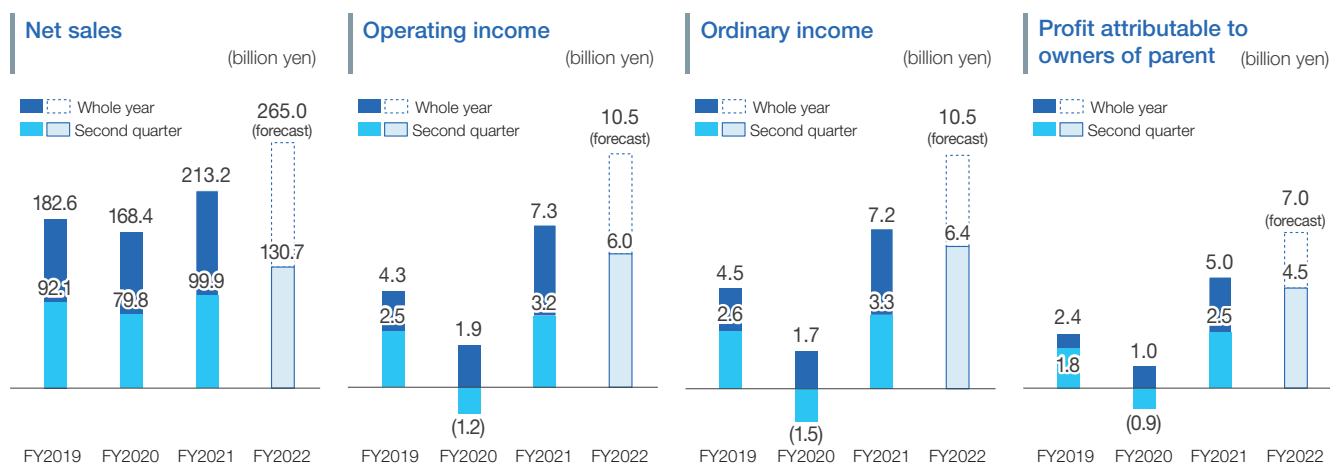
We sincerely appreciate the continued understanding and support of our shareholders and investors.

Dividend per share



Consolidated Financial Highlights

		FY2019		FY2020		FY2021		FY2022	
		Second quarter	Whole year	Second quarter	Whole year	Second quarter	Whole year	Second quarter	Whole year (forecast)
Net sales	(billion yen)	92.1	182.6	79.8	168.4	99.9	213.2	130.7	265.0
Operating income	(billion yen)	2.5	4.3	(1.2)	1.9	3.2	7.3	6.0	10.5
Ordinary income	(billion yen)	2.6	4.5	(1.5)	1.7	3.3	7.2	6.4	10.5
Profit attributable to owners of parent	(billion yen)	1.8	2.4	(0.9)	1.0	2.5	5.0	4.5	7.0
Net assets	(billion yen)	51.5	52.3	49.6	50.8	56.1	59.8	73.1	—
Total assets	(billion yen)	83.5	96.5	94.9	113.6	124.4	141.7	173.9	—
Net assets per share	(Yen)	130.86	173.71	(65.43)	70.80	180.26	350.34	313.84	487.70
Equity ratio	(%)	61.7	54.2	52.3	44.4	44.7	41.9	41.7	—



> Fiscal year ended December 2022 Overview by segment

Composition of sales (%)



Our Website

Our website presents information about our business, news & topics, and an overview of the Nishimoto Wismettac Group. The Investor Relations page offers the latest financial data, IR news, the IR Library, and much more. Please visit our website.



Nishimoto Wismettac

Search

<https://www.wismettac.com/ja/index.html>



Nishimoto Wismettac

The Nishimoto Wismettac Group is developing business globally



Ban Choon Marketing Pte. Ltd.

Voice from overseas

Q Could you please tell us about Ban Choon Marketing Pte. Ltd.'s corporate philosophy?

Our corporate philosophy is to enable the delivery of fresh produce and health products from around the world to our customers at competitive prices.

Q What are the unique characteristics of the Southeast Asia region compared to other regions, and what are the strengths of Ban Choon Marketing Pte. Ltd. in making use of these characteristics?

Singapore is located in the Southeast Asia region. It plays an important role as a regional hub for our efficient expansion into other Southeast Asian countries. Ban Choon Marketing's strength is its multi-distribution channels and omni-distribution points, which serve a variety of customers, including retail channels, hotels, restaurants, cafés, online channels, and wholesale markets.

As Singapore is a multi-ethnic country with many different ethnic groups, Ban Choon Marketing is equipped to communicate with partners in predominant local languages, including English, Chinese, Malay, local dialects, etc.



Director
Michelle Tan

Q What do you want to focus on in your business from now on and what is your vision for the future?

We will modernize traditional businesses in the areas of food solutions, value-added products, and food technology. We aim to enhance effective and efficient processes by digitalizing what is currently dealt with manually.

News & topics

Formulation of Basic Sustainability Policy

The Company has formulated its Basic Sustainability Policy with the aim of contributing to the realization of a sustainable society through "food." As a long-term initiative measure based on this Policy, we have also established key issues and tasks to be addressed in sustainable management.

We will contribute to the sustainable enhancement of corporate value and the realization of a sustainable society. We will continue to strive in this way to remain a corporate group that is trusted by our stakeholders.

Special Benefits for Shareholders

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



Outline of the special benefits system for shareholders

① Shareholders covered by the system

Shareholders holding one unit of shares in Nishimoto Wismettac Holdings (100 shares) or more who are included or recorded in the list of shareholders at the end of December of each year

② Special benefits in fiscal 2021

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.

Number of units held (number of shares held)	Number of coupon codes
1-3 units (100 shares or more and less than 400)	1 (equivalent to 3,000 yen)
4-6 units (400 shares or more and less than 700)	2 (equivalent to 6,000 yen)
7 unit or more (700 shares or more)	3 (equivalent to 9,000 yen)

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

URL for the website

<https://www.hello-worldgift.com/>

Accessible from this QR code if you use a smartphone or mobile phone



First-time users need to register for membership.



The coupon codes sent to shareholders at the end of December 2021 can be used during the period from **April 2022 to the end of December 2022.**

For inquires,

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)

> Corporate Profile

Company Name	Nishimoto Co., Ltd.
Established	May 1912
Head Office	Nihonbashi-Muromachi Mitsui Tower 15F, 3-2-1 Nihonbashi-Muromachi, Chuo-ku, Tokyo 103-0022
Capital	2,646,177,532 yen

> Directors

Chairman & President CEO	Yoshiro Susaki	Director (Full-time Audit & Supervisory Committee Member)	Atsuhiko Kimura
Director	Hiroshi Tsujikawa	Outside Director	
Director, Managing Executive Officer, CFO	Yuji Sasa	(Audit & Supervisory Committee Member)	Kimikazu Nomi
Director & Global CDO	Celso Guiotoko	Outside Director (Audit & Supervisory Committee Member)	Yukiko Omura

> Worldwide Network

<Japan>

Nishimoto Co., Ltd.

- Tokyo Head Office, Kobe Office (Registered Head Office Location)

Wismettac Foods, Inc.

- Tokyo Head Office, Kobe Office (Registered Head Office Location), Ota Office, Omori Office, Kobe Branch Tobu Sales Office

<North America>

Wismettac Asian Foods, Inc.

- Los Angeles Office (Corporate Headquarters), Arizona Office, Atlanta Office, Chicago Office, Dallas Office, Denver Office, Miami Office, Hawaii Office, Houston Office, Las Vegas Office, New York Office, San Diego Office, San Francisco Office, Seattle Office, Washington, DC office, Toronto Office, Vancouver Office, Montreal Office, Orlando Office, Boston Office (Satellite Office), Sacramento Office (Satellite Office), Calgary Office (Satellite Office), Ohio Office (Satellite Office), Raleigh Office (Satellite Office)

<Asia>

Nishimoto Trading Co., Ltd.

- Bangkok Representative Office, Ho Chi Minh Representative Office, Seoul Representative Office

Wismettac Foods Shanghai Co., Ltd.

IPM Co., Ltd.

NTC Wismettac Singapore Pte. Ltd.

Ban Choon Marketing Pte. Ltd.

Wismettac Nippon Foods Co., Ltd.

<Oceania>

NTC Wismettac Australia Pty Ltd.

- Sydney Office, Melbourne Office, Perth Office, Brisbane Office

<Europe>

NTC Wismettac Europe B.V.

Wismettac Harro Foods Limited

SSP Konsumgüter TRADE & CONSULT GmbH

- Berlin Office

COMPTOIRS DES 3 CAPS SAS

- Comptoirs Oceaniques
- Tropic Fish

Sco-Fro Group Limited

> Stock Information

Total Number of Shares Authorized	50,000,000
Total Number of Shares Outstanding	14,353,140
Number of Shareholders	2,364

> Major Shareholders

Shareholder Name	Number of shares held (thousands)	Shareholding ratio (%)
Tatsumi Sangyo Co., Ltd	6,235	43.5
Yoshiro Susaki	2,910	20.3
Susaki Welfare Foundation	1,300	9.1
The Master Trust Bank of Japan, Ltd. (trust account)	834	5.8
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	500	3.5
Custody Bank of Japan, Ltd. (trust account)	336	2.3
GOVERNMENT OF NORWAY	211	1.5
FIDELITY INVESTMENT TRUST : FIDELITY JAPAN FUND	137	1.0
UEDA YAGI TANSHI Co., Ltd.	128	1.0
Takayuki Kanai	113	1.0

(Note 1) Numbers of shares held are rounded down to the nearest one thousand.

(Note 2) In calculating shareholding ratios, 220 shares of treasury stock are excluded.

> Shareholder Memo

Fiscal Year	January 1 - December 31
General Meeting of Shareholders	Within three months from the day following the last day of each fiscal year
Record Date	December 31
Dividend Record Dates	June 30 for interim dividend December 31 for year-end dividend
Investment Unit	100 shares
Office of Shareholder Registry Administrator	Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Shareholder Registry Administrator	Sumitomo Mitsui Trust Bank, Limited 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Method of Public Notice	The Company publishes public notices by posting electronic public notices. However, in the event that an electronic public notice is impracticable as a result of an accident or for other unavoidable reasons, the Company shall post its public notices in The Nikkei. URL for posting electronic public notices http://www.wismettac.com/ja/ir/e-announce.html

Contributing to the world as a link to food

What is Wismettac?



The logotype consists of two spheres that represent the earth itself and globalism.

- Red for innovation and green for nature
- The inexhaustible will to provide a healthier and more varied dietary lifestyle

The design uses the three letters (W, M, and C) included in the company name as motifs.

Wisdom: Western wisdom

Metta: Oriental wisdom (Pali word meaning gentility and consideration)

Creativity: Ability to create value

Nishimoto Co., Ltd.

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