

August 25, 2017

To whom it may concern,

Nishimoto Co., Ltd.

Takayuki Kanai, President and Representative Director

(Code No.: 9260 Tokyo Stock Exchange)

Contact: Atsuhiko Kimura, Director and CFO (TEL: 03-6870-2015)

Notification of the Resolution of the Board of Directors regarding the Issuance of New Shares, Disposal of Treasury Shares, and Secondary Offering of Shares

We are pleased to announce that the following resolutions were made at the meeting of the Board of Directors of the Company held on August 25, 2017, regarding the issuance of new shares through public offering, disposal of treasury shares, and secondary offering of shares in connection with the listing of common shares of the Company on the Tokyo Stock Exchange.

1. Issuance of new shares through public offering (general offering)
 - (1) Number of shares to be offered: 1,130,000 shares of common stock of the Company
 - (2) Paid-in amount of shares to be offered: To be determined (will be determined at the meeting of the Board of Directors held on September 11, 2017)
 - (3) Payment date: September 28, 2017 (Thursday)
 - (4) Matters concerning the amount of stated capital and additional paid-in capital to be increased: The amount of stated capital to be increased shall be half of the maximum amount of stated capital increase as calculated in accordance with Paragraph 1 of Article 14 of the Corporate Accounting Rules based on the underwriting amount that will be determined on September 20, 2017, with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. In addition, the amount of additional paid-in capital to be increased shall be the amount obtained by subtracting the relevant amount of stated capital to be increased from the relevant maximum amount of stated capital increase.
 - (5) Method of offering: The offering shall be general offering at the issue price. Nomura Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., SMBC Nikko Securities Inc., Mizuho Securities Co., Ltd., Kyokuto Securities Co., Ltd., SBI SECURITIES Co., Ltd., and ACE SECURITIES CO., LTD. shall be underwriters and they shall underwrite and purchase all of the shares by the underwriting amount. The underwriting amount shall be determined at the same time as the issue price and, if the underwriting amount is below the paid-in amount, the issuance of new shares shall be canceled.
 - (6) Issue price (offer price): To be determined (After the paid-in amount of the shares to be offered is determined, provisional conditions with a price equal to or greater than the paid-in amount of the shares to

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be offered shall be presented and then an issue price will be determined on September 20, 2017, taking into account the market demand and other conditions under the provisional conditions.)

- (7) Offering period: September 21, 2017 (Thursday) to September 26, 2017 (Tuesday)
- (8) Unit of shares for offering: 100 shares
- (9) Delivery date: September 29, 2017 (Friday)
- (10) Besides the above items, any matter that requires a resolution of the Board of Directors regarding the issuance of new shares shall be determined at a meeting of the Board of Directors.
- (11) The above items are contingent upon effective notification in accordance with the Financial Instruments and Exchange Act.

2. Disposal of treasury shares through public offering (general offering)

- (1) Number of shares to be offered: 720,000 shares of common stock of the Company
- (2) Paid-in amount of shares to be offered: To be determined (Same as the paid-in amount of shares to be offered described in 1. above)
- (3) Payment date: September 28, 2017 (Thursday)
- (4) Method of offering: The offering shall be general offering at the disposal price. Nomura Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., SMBC Nikko Securities Inc., Mizuho Securities Co., Ltd., Kyokuto Securities Co., Ltd., SBI SECURITIES Co., Ltd., and ACE SECURITIES CO., LTD. shall be underwriters and they shall underwrite and purchase all of the shares by the underwriting amount. The underwriting amount shall be determined at the same time as the disposal price and, if the underwriting amount is below the paid-in amount, the disposal of treasury shares shall be canceled.
- (5) Disposal price (offer price): To be determined (Same as the issue price described in 1. above)
- (6) Offering period: Same as the offering period described in 1. above.
- (7) Unit of shares for offering: Same as the unit of shares for offering described in 1. above.
- (8) Delivery date: Same as the delivery date described in 1. above.
- (9) Besides the above items, any matter that requires a resolution of the Board of Directors regarding the disposal of treasury shares shall be determined at a meeting of the Board of Directors.
- (10) The above items are contingent upon effective notification in accordance with the Financial Instruments and Exchange Act.

3. Secondary offering of shares through purchase and underwriting by the underwriter

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- (1) Class and number of shares to be offered: 1,850,000 shares of common stock of the Company
- (2) Seller and number of shares to be sold: Tatsumi Industries Co., Ltd.; 1,850,000 shares
- (3) Method of sale: Sale to the general public at the offering price. Nomura Securities Co., Ltd. shall be an underwriter and underwrite and purchase all of the shares by the underwriting amount. The number of shares not more than half of the total number of shares relating to these shares and shares concerning secondary offering of shares through over-allotment may be sold to investors in overseas markets (excluding the U.S. and Canada) with a focus on European and Asian markets through affiliated companies, etc., of Nomura Securities Co., Ltd.
- (4) Offering price: To be determined (will be the same as the issue price described in 1. above)
- (5) Offering period: Same as the offering period described in 1. Above
- (6) Unit of shares for offering: Same as the unit of shares for offering mentioned in 1. above.
- (7) Delivery date: Same as the delivery date described in 1. above.
- (8) The above items are contingent upon effective notification in accordance with the Financial Instruments and Exchange Act. In addition, if the issuance of new shares through public offering described in 1. above and the disposal of treasury shares through public offering described in 2. above are canceled, this secondary offering of shares through purchase and underwriting by the underwriter shall also be canceled.

4. Secondary offering of shares through over-allotment

- (1) Class and number of shares to be offered: 555,000 shares of common stock of the Company
- (2) Seller and number of shares to be sold: Nomura Securities Co., Ltd. (9-1 Nihonbashi 1-chome, Chuo-ku, Tokyo); 555,000 shares

(The number of shares to be sold represents the limit and it may be reduced depending on the market demand and other conditions, or this secondary offering of shares through over-allotment may be canceled. In addition, the number of shares to be sold will be determined on September 20, 2017, which is the determination date of the issue price, etc., while taking into account the market demand and other conditions.)

- (3) Method of sale: Sale to the general public at the offering price.
- (4) Offering price: To be determined (will be the same as the issue price described in 1. above)
- (5) Offering period: Same as the offering period described in 1. above
- (6) Unit of shares for offering: Same as the unit of shares for offering described in 1. above.
- (7) Delivery date: Same as the delivery date described in 1. above

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(8) The above items are contingent upon effective notification in accordance with the Financial Instruments and Exchange Act. In addition, if the issuance of new shares through public offering described in 1. above and the disposal of treasury shares through public offering described in 2. above are canceled, this secondary offering of shares through over-allotment shall also be canceled.

5. Issuance of new shares by allotment to a third party

(1) Number of shares to be issued: 555,000 shares of common stock of the Company

(2) Paid-in amount of shares to be offered: To be determined (Same as the paid-in amount of shares to be offered described in 1. above)

(3) Subscription date: October 27, 2017 (Friday)

(4) Payment date: October 30, 2017 (Monday)

(5) Matters concerning the amount of stated capital and additional paid-in capital to be increased: The amount of stated capital to be increased shall be half of the maximum amount of stated capital increase as calculated in accordance with Paragraph 1 of Article 14 of the Corporate Accounting Rules based on the allotment price that will be determined on September 20, 2017, with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. In addition, the amount of additional paid-in capital to be increased shall be the amount obtained by subtracting the relevant amount of stated capital to be increased from the relevant maximum amount of stated capital increase.

(6) Method of allotment: Shall be allotted to Nomura Securities Co., Ltd. at the allotment price. If the allotment price is below the paid-in amount of the shares to be offered, this issuance of new shares by allotment to a third party shall be canceled.

(7) Allotment price: To be determined (Same as the underwriting price described in 1. above)

(8) Unit of shares for subscription: Same as the unit of shares for subscription described in 1. above.

(9) Issuance of any shares that are unsubscribed by the subscription date mentioned above shall be terminated.

(10) Besides the above items, any matter that requires a resolution of the Board of Directors regarding this issuance of new shares by allotment to a third party shall be determined at a meeting of the Board of Directors.

(11) If the secondary offering of shares through over-allotment described in 4. above is canceled, this issuance of new shares by allotment to a third party shall also be canceled.

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[For reference]

1. Summary of the issuance of new shares through public offering, disposal of treasury shares through public offering, and second offering of shares

(1) Number of shares to be issued and sold

1) Number of shares to be issued: 1,850,000 shares of common stock

(Issuance of new shares: 1,130,000 shares / Disposal of treasury shares: 720,000 shares)

2) Number of shares to be sold:

Secondary offering of shares through purchase and underwriting by the underwriter: 1,850,000 shares of common stock

Secondary offering of shares through over-allotment: 555,000 shares of common stock (*)

(2) Book building period: September 12, 2017 (Tuesday) to September 19, 2017 (Tuesday)

(3) Pricing date: September 20, 2017 (Wednesday)

(The offer price and the selling price shall be equal to or greater than the paid-in amount of the shares to be offered and shall be determined by taking into account the market demand and other conditions under the provisional conditions.)

(4) Offering and sale period: September 21, 2017 (Thursday) to September 26, 2017 (Tuesday)

(5) Payment date: September 28, 2017 (Thursday)

(6) Delivery date: September 29, 2017 (Friday)

(Note)

Part of the shares to be sold relating to the secondary offering of shares through purchase and underwriting by the underwriter described in (1)-2) above may be sold to investors in overseas markets (excluding the U.S. and Canada) with a focus on European and Asian markets through affiliated companies, etc., of Nomura Securities Co., Ltd.

(*)

The secondary offering of shares through over-allotment described above is a sale that will be made by Nomura Securities Co., Ltd. in connection with the issuance of new shares through public offering, disposal of treasury shares through public offering, and secondary offering of shares through purchase and underwriting by the underwriter, taking into consideration the market demand and other conditions for those shares. Therefore, the number of shares to be sold relating to secondary offering of shares through over-allotment indicated above is the maximum number of shares, and the number of shares may be reduced or this secondary offering may be canceled depending on the market demand and other conditions.

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The common stock of the Company to be sold relating to the secondary offering of shares through over-allotment are shares that are borrowed by Nomura Securities Co., Ltd. from Tatsumi Industries Co., Ltd., a stockholder of the Company (hereinafter referred to as “the Stock Lender”). In connection with this, the Board of Directors of the Company held a meeting on August 25, 2017, and made a resolution to allot 555,000 shares of common stock of the Company to Nomura Securities Co., Ltd. (hereinafter referred to as “the Third-Party Allotment”).

In addition, Nomura Securities Co., Ltd. may purchase shares of common stock of the Company (hereinafter referred to as “the Syndicate Cover Transaction”) on the Tokyo Stock Exchange during the period from September 29, 2017, to October 23, 2017, up to the number of shares to be sold relating to the secondary offering of shares through over-allotment. All of the shares purchased through the Syndicate Cover Transaction shall be used to return the shares borrowed from the Stock Lender.

Nomura Securities Co., Ltd. does not intend to accept any allotment for the number of shares it purchases through the Syndicate Cover Transaction and therefore, all or some of the shares to be issued by the Third-Party Allotment may be unsubscribed. As a result, the final number of shares issued by the Third-Party Allotment may decrease, or the issue may not take place at all, due to forfeiture. In addition, Nomura Securities Co., Ltd. may, at its discretion, choose not to enter into any Syndicate Cover Transaction or terminate such transaction without purchasing the maximum number of shares.

2. Change in the number of outstanding shares as a result of the public offering

Current number of outstanding shares: 13,213,240 shares

Increase in the number of shares as a result of the public offering: 1,130,000 shares

Increase in the number of shares as a result of the issuance of new shares by allotment to a third party: 555,000 shares (maximum)

Total number of outstanding shares after increase: 14,898,240 shares (maximum)

3. Use of proceeds

The estimated proceeds of 9,099 million yen (*) from the issuance of new shares through public offering and the disposal of treasury shares through public offering and 2,740 million yen (*) (maximum) from the issuance of new shares by allotment to a third party are scheduled to be used as equipment funds (5,006 million yen), working capital (3,000 million yen) and funds for repayment of borrowings (3,833 million yen). Details of the use of proceeds are as follows:

Equipment funds will be used to establish a product standard management system in the Asian Food Global Business for the purpose of complying with laws and regulations in each country, develop a system platform for the purpose of renovating workflows and strengthening cooperation among locations, establish an automatic ordering system using product sales data, prepare for automation of logistics facilities, and relocate and upgrade warehouses in the North American region. The funds are allocated to three fiscal years; 656 million yen for the fiscal year ending December 2017; 1,245 million yen for the fiscal year ending December 2018; and 3,105 million yen for the fiscal year ending December 2019 and thereafter.

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Working capital will be used for operating funds until the end of December 2018.

Funds for repayment of borrowings amounting to 3,833 million yen will be used for repayment of borrowings of the Company or subsidiaries of the Company through the Group.

Those funds will be invested in safe and secure financial products, etc., until they are actually used.

(*) Estimated amount calculated based on the assumed issue price of 5,250 yen when the Securities Registration Statement was filed.

4. Profit distribution to shareholders

(1) Profit distribution policy

The Company's policy is to continue stable dividends while striving to maintain retained earnings for developing future businesses and improving financial strength.

(2) Use of retained earnings

Retained earnings will be used for investment funds necessary to expand the business, including mergers and acquisitions (M&As) and investment in systems, with the aim of increasing the Company's enterprise value.

(3) Specific measures to increase profit distribution to shareholders in the future

Up until now, the Company has been paying out dividends once a year, but it will consider including interim dividends in the future. For dividend payment, the Company considers the payout ratio to be an important index and aims at maintaining a consolidated payout ratio of 20% to 25% every year.

(4) Dividends for the last two years

	Fiscal year ending December 2015	Fiscal year ending December 2016
Net income per share (Consolidated)	360.94 yen	227.95 yen
Dividends per share (Interim dividends per share)	2.00 yen [0.40 yen] (None)	2.00 yen [0.40 yen] (None)
Payout ratio (Consolidated)	0.10%	0.10%
Return on equity (Consolidated)	12.90%	7.50%
Dividend on equity ratio (Consolidated)	0.00%	0.00%

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(Note)

1. The net income per share (consolidated) is calculated based on the number of average outstanding shares during the period.
2. The return on equity (consolidated) is calculated by dividing net income attributable to shareholders of the parent company by shareholders' equity (average of beginning and ending balances). The dividend on equity ratio (consolidated) is calculated by dividing total dividends by shareholders' equity (average of beginning and ending balances).
3. The Company executed a 5-for-1 common stock split as of June 1, 2017, and the net income per share (consolidated) is calculated based on the assumption that the stock split was executed at the beginning of the fiscal year ending December 2015. In addition, the dividends per share (interim dividends per share) are calculated based on the assumption that the stock split was executed at the beginning of the fiscal year ending December 2015 and such figures are indicated in [] for reference purposes.

5. Lock-up

In regard to the issuance of new shares through public offering described in 1. above, the disposal of treasury shares through public offering described in 2. above, and the secondary offering of shares through purchase and underwriting by the underwriter described in 3. above, Tatsumi Sangyo Co., Ltd. as the Stock Lender and seller, and Mr. Yoshiro Susaki, Susaki Welfare Foundation, Mr. Takayuki Kanai, and Mr. Masashi Shimizu as shareholders of the Company agreed with Nomura Securities Co., Ltd. that they shall not sell shares of the Company (excluding lending of common stocks of the Company for the secondary offering of shares through purchase and underwriting by the underwriter described in 3. above and the secondary offering of shares through over-allotment described in 4. above) without the prior written consent of Nomura Securities Co., Ltd. during the period starting from the date of the principal underwriting contract until 90 days after the listing date (commencement date of buying and selling), which is December 27, 2017.

In addition, the Company agreed with Nomura Securities Co., Ltd. that it shall not issue shares of the Company, issue securities convertible to or exchangeable for shares of the Company, issue securities that represent rights to acquire or receive shares of the Company, etc., (provided that in connection with the issuance of new shares through public offering described in 1. above, the disposal of treasury shares through public offering described in 2. above, stock split, issuance of stock acquisition rights as stock option, and the secondary offering of shares through over-allotment described in 4. above, the issuance of new shares by allotment to a third party, in which Nomura Securities Co., Ltd. will be allotted shares as approved at the meeting of the Board of Directors held on August 25, 2017, is excluded) without the prior consent of Nomura Securities Co., Ltd. during the period starting from the date of the principal underwriting contract until 180 days after the listing date (commencement date of buying and selling), which is March 27, 2018.

Moreover, in each case above, Nomura Securities Co., Ltd. retains the right to terminate part or all of the agreement at its discretion.

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6. Policy for allotment

In consideration of compliance with the criteria for the number of shareholders set forth in the “Securities Listing Regulations” of Tokyo Stock Exchange, Inc. and maintenance of the liquidity of shares after being listed, shares may also be sold to investors who did not take part in the book building.

Underwriters shall strive to sell in a fair and equitable manner and in accordance with the policy for allotment and internal rules, etc., set forth by themselves. For the policy for allotment, please check the explanations at the counter or on the website of underwriters.

(Note) The description regarding profit distribution in “4. Profit distribution to shareholders” does not constitute a promise of any fixed dividend, and it is based on forecasts.

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