

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)

Forecast of operating results for the fiscal year ending December 2017

Forecast of operating results for the fiscal year ending December 2017 (January 1, 2017 to December 31, 2017) of the Group is as follows:

[Consolidated]

(Unit: million yen or %)

Item	Fiscal year ending December 2017 (Forecast)			First half of the fiscal year ending December 2017 (Actual)		Fiscal year ending December 2016 (Actual)	
		Ratio to sales	Increase/decrease compared with the previous fiscal year		Ratio to sales		Ratio to sales
Sales	169,434	100.0	7.0	86,646	100.0	158,338	100.0
Operating income	6,835	4.0	△6.7	3,260	3.8	7,329	4.6
Ordinary income	6,306	3.7	△8.9	3,053	3.5	6,922	4.4
Net income for the current fiscal year (quarter) attributable to shareholders of the parent company	3,349	2.0	17.6	1,448	1.7	2,847	1.8
Net income per share for the current fiscal year (quarter)			258.12 yen		115.95 yen		227.95 yen
Dividends per share			TBD		0.00 yen		2.00 yen (0.40 yen)

Note: This document does not constitute an offer of any securities for sale. This document is a press release prepared for the sole purpose of publicly announcing the forecast of the operating results of the Group and it is not for the purpose of soliciting investments, etc., both in and outside Japan. When investing in the Company's common stocks offered and sold that were approved at the meeting of the Board of Directors held on August 25, 2017, investors should refer to the "Prospectus for the issuance of new shares, disposal of treasury shares, and secondary offering of shares" (and its amendments) prepared by the Company before making a decision. The "Prospectus for the issuance of new shares, disposal of treasury shares, and secondary offering of shares" (and its amendments) may be obtained from underwriters. The Company's plans, estimates, expectations, forecasts, and other future information described in this press release are simply a judgement or view of the Company, and therefore, actual operating results, financial position and other results of the Company may be very different from the content of this press release or content assumed from this press release depending on changes in economic conditions, changes in market environment, competition with other companies, fluctuations in foreign exchange rates, etc. This document is not an offer to sell, or solicitation of an offer to buy, securities in the United States. In the United States, under the United States Securities Act of 1933, except for the registration of securities or an applicable exemption from such registration requirement, offering or sale of securities may not be conducted. The securities referred to in this document will not be publicly offered in the United States.

(Note)

1. The net income per share for the fiscal year ending December 2016 (actual) and for the first half year of the fiscal year ending December 2017 (actual) are calculated using the average number of outstanding shares during the period. The net income per share for the fiscal year ending December 2017 (forecast) is calculated using the expected average number of outstanding shares during the period including the expected number of new shares to be issued through public offering (1,130,000 shares) and the expected number of treasury shares to be disposed (720,000 shares), but new shares to be issued by allotment to a third party related to the secondary offering of shares through over-allotment (maximum 555,000 shares) is not taken into account.
2. The Company executed a 5-for-1 common stock split as of June 1, 2017. In the above description, the net income per share for the current fiscal year (quarter) is calculated based on the assumption that the stock split was executed at the beginning of the fiscal year ending December 2016. In addition, the dividends per share are calculated based on the assumption that the stock split was executed at the beginning of the fiscal year ending December 2016 and such figures are indicated in round brackets ( ) for reference purposes.
3. The Company recognizes that the return of profits to shareholders is an important management issue. At this point, the Company plans to pay dividends for the fiscal year ending December 2017 (forecast), but the specific details have not yet been determined.

[Prerequisite for the forecast of operating results for the fiscal year ending December 2017 (consolidated)]

1. Company-wide forecast

The Group is composed of the Company, 11 consolidated subsidiaries and 2 affiliated companies accounted for by the equity method. The Group has two main businesses: “Asian Food Global Business,” which sells Asian food products and ingredients such as Japanese food in foreign countries with a focus on the North American region; and “Agricultural and Seafood Trading Business,” which sells fruits and vegetables (fruits, vegetables and other processed food products) in the domestic market, exports and/or arranges an offshore trade for those products, and sells fishery products, etc., in the domestic market.

(Asian Food Global Business)

The Asian Food Global Business sells Asian food products and ingredients such as Japanese food to restaurants, groceries (grocery supermarkets), etc., in foreign countries with a focus on the North American region. In addition, it introduces integrated operations including procurement of products, import custom clearance, inventory management and delivery.

Note: This document does not constitute an offer of any securities for sale. This document is a press release prepared for the sole purpose of publicly announcing the forecast of the operating results of the Group and it is not for the purpose of soliciting investments, etc., both in and outside Japan. When investing in the Company’s common stocks offered and sold that were approved at the meeting of the Board of Directors held on August 25, 2017, investors should refer to the “Prospectus for the issuance of new shares, disposal of treasury shares, and secondary offering of shares” (and its amendments) prepared by the Company before making a decision. The “Prospectus for the issuance of new shares, disposal of treasury shares, and secondary offering of shares” (and its amendments) may be obtained from underwriters. The Company’s plans, estimates, expectations, forecasts, and other future information described in this press release are simply a judgement or view of the Company, and therefore, actual operating results, financial position and other results of the Company may be very different from the content of this press release or content assumed from this press release depending on changes in economic conditions, changes in market environment, competition with other companies, fluctuations in foreign exchange rates, etc. This document is not an offer to sell, or solicitation of an offer to buy, securities in the United States. In the United States, under the United States Securities Act of 1933, except for the registration of securities or an applicable exemption from such registration requirement, offering or sale of securities may not be conducted. The securities referred to in this document will not be publicly offered in the United States.

Keeping pace with the expansion of the market in the context of the global boom in Japanese food, the Group acquired two companies as a consolidated subsidiary through M&A (in the United Kingdom and Hong Kong) during the fiscal year ending December 2016 and has also acquired one company as a consolidated subsidiary through M&A (in Hong Kong), and has invested in two companies as an affiliated company (in Germany and France) so far during the fiscal year ending December 2017. As a result, the Group has established a global sales network, including 23 locations in the North American region and 11 locations in other regions.

#### (Agricultural and Seafood Trading Business)

The Agricultural and Seafood Trading Business imports and distributes fresh fruits and vegetables, frozen and processed fruits and vegetables, fishery products, etc., to domestic wholesale markets, mass retailers, restaurant chains and home replacement meal industries, food product manufacturers, etc. The Agricultural and Seafood Trading Business also exports and/or arranges an offshore trade for fruits and vegetables.

As the domestic import market remains on a plateau, the Agricultural and Seafood Trading Business is working to enhance sales through various distribution routes (mass retailers, restaurant chains, home replacement meal industries, etc.) in addition to the current wholesale market that has been the main distribution route up until now. The Agricultural and Seafood Trading Business also makes efforts to expand overseas distribution route using the infrastructure (location network) of the Asian Food Global Business (export of domestic fruits and vegetables and triangular trade of fruits and vegetables), and to sell fishery products and agricultural products in domestic markets using the procurement resources of the Asian Food Global Business.

In regard to the actual sales for the fiscal year ending December 2016, the Asian Food Global Business's sales accounted for 67.0%, of which the sales in the North American region (Wismettac Asian Foods, Inc.) accounted for 88.0%.

Thus, within the Group, a significant percentage of the sales comes from the North American region and therefore, if foreign exchange rates drastically fluctuate, the Group's operating results may be affected. The initial plan for the fiscal year ending December 2017 was prepared with the foreign exchange rate at US\$1=JPY100 (foreign exchange rate for the previous fiscal year was US\$1=JPY108.84).

Under such circumstances, the operating results for the first half of the fiscal year ending December 2017 remained steady as a whole. With regard to operating results for the full fiscal year ending 2017, taking into consideration the actual results for the first half of the fiscal year ending December 2017 and the forecast of the second half of the fiscal year ending December 2017, it is expected that sales will be 169,434 million yen (7.0% increase compared with the previous fiscal year), operating income will be 6,835 million yen (6.7% decrease compared with the previous fiscal year), ordinary income will be 6,306 million yen (8.9% decrease compared with the previous fiscal year), and net income attributable to the parent company will be 3,349 million yen (17.6% increase compared with the previous fiscal year).

Note: This document does not constitute an offer of any securities for sale. This document is a press release prepared for the sole purpose of publicly announcing the forecast of the operating results of the Group and it is not for the purpose of soliciting investments, etc., both in and outside Japan. When investing in the Company's common stocks offered and sold that were approved at the meeting of the Board of Directors held on August 25, 2017, investors should refer to the "Prospectus for the issuance of new shares, disposal of treasury shares, and secondary offering of shares" (and its amendments) prepared by the Company before making a decision. The "Prospectus for the issuance of new shares, disposal of treasury shares, and secondary offering of shares" (and its amendments) may be obtained from underwriters. The Company's plans, estimates, expectations, forecasts, and other future information described in this press release are simply a judgement or view of the Company, and therefore, actual operating results, financial position and other results of the Company may be very different from the content of this press release or content assumed from this press release depending on changes in economic conditions, changes in market environment, competition with other companies, fluctuations in foreign exchange rates, etc. This document is not an offer to sell, or solicitation of an offer to buy, securities in the United States. In the United States, under the United States Securities Act of 1933, except for the registration of securities or an applicable exemption from such registration requirement, offering or sale of securities may not be conducted. The securities referred to in this document will not be publicly offered in the United States.

All segments within the Group calculate the forecast of operating results using the market build-up approach based on the information collected to the greatest extent possible. The actual exchange rate for the first half of the fiscal year (average rate during the period) was US\$1=JPY112.37, but from the 3rd quarter onwards, the exchange rate is left unchanged at US\$1=JPY100 as initially planned.

## 2. Specific prerequisite

### [Sales]

Sales for the first half of the fiscal year was 86,646 million yen. The Asian Food Global Business recorded sales of 58,002 million yen, which exceeded the sales in the same period from the previous year thanks to strong sales in the North American region. On the other hand, sales of the Agricultural and Seafood Trading Business increased to 26,994 million yen, which exceeded the sales in the same period from the previous year thanks to increase in sales to mass retailers, restaurant chains and home replacement meal industries, food product manufacturers, etc., but the amount was below the initial plan because the sales volume was lower than the initial forecast due to significant increase in the costs of major food items such as citrus, avocado, etc.

In consideration of the above, sales for the full fiscal year is expected to be 169,434 million yen (7.0% increase compared with the previous fiscal year).

### (Asian Food Global Business)

In the Asian Food Global Business, each Group company formulates a plan by calculating, on a local currency basis, expected sales by adding increase in sales per customer estimated from potential demand of major products to the actual orders of products by customer and by month up until then, and adding expected sales to new customers (sales expected reasonably based on actual sales in the past) to the above figure.

As a result of adding estimated sales by customer based on the actual sales results for the fiscal year ending December 2016 and for the first half of the fiscal year ending December 2017, sales for the full fiscal year ending December 2017 is expected to be 112,916 million yen (6.4% increase compared with the previous fiscal year) thanks to expected sales increase in each region.

Sales in the North American region for the first half of the fiscal year ending 2017 was 50,079 million yen, which exceeded the sales in the same period from the previous year thanks to increase in sales per customer and strong sale to new customers. By increasing sales per customer and further promoting expansion of new customers for the second half of the fiscal year, sales is expected to increase on a local currency basis. Considering the impact of foreign exchange rates, sales for the second half of the fiscal year is expected to be 46,554 million yen and sales for the full fiscal year is expected to be 96,633 million yen on a Japanese yen basis. (The actual foreign exchange rate for the first half of the fiscal year [average rate during the period] was US\$1=JPY112.37, but from the 3rd quarter onwards, the exchange rate is left unchanged at US\$1=JPY100 as initially planned.)

Note: This document does not constitute an offer of any securities for sale. This document is a press release prepared for the sole purpose of publicly announcing the forecast of the operating results of the Group and it is not for the purpose of soliciting investments, etc., both in and outside Japan. When investing in the Company's common stocks offered and sold that were approved at the meeting of the Board of Directors held on August 25, 2017, investors should refer to the "Prospectus for the issuance of new shares, disposal of treasury shares, and secondary offering of shares" (and its amendments) prepared by the Company before making a decision. The "Prospectus for the issuance of new shares, disposal of treasury shares, and secondary offering of shares" (and its amendments) may be obtained from underwriters. The Company's plans, estimates, expectations, forecasts, and other future information described in this press release are simply a judgement or view of the Company, and therefore, actual operating results, financial position and other results of the Company may be very different from the content of this press release or content assumed from this press release depending on changes in economic conditions, changes in market environment, competition with other companies, fluctuations in foreign exchange rates, etc. This document is not an offer to sell, or solicitation of an offer to buy, securities in the United States. In the United States, under the United States Securities Act of 1933, except for the registration of securities or an applicable exemption from such registration requirement, offering or sale of securities may not be conducted. The securities referred to in this document will not be publicly offered in the United States.

In regions other than North America, sales for the full fiscal year are expected to be 16,284 million yen, which will exceed the sales in the same period from the previous year thanks to increase in sales (sales volume) per customer, expansion of new customers, and increase in customers resulting from the M&A executed in the previous fiscal year.

(Agricultural and Seafood Trading Business)

In the Agricultural and Seafood Trading Business, a plan is developed by building up estimated sales based on the actual sales results by food item, by distribution route and by month.

Sales for the first half of the fiscal year slightly exceeded the sales in the same period from the previous year thanks to increase in sales to mass retailers, restaurant chains and home replacement meal industries, food product manufacturers, etc., but as explained earlier, due to the impact of the increase in the costs of major food items such as citrus, avocado, etc., sales for the full fiscal year ending December 2017 is expected to be 26,994 million yen, which is slightly below the initial plan. Under such circumstance, we added the estimated sales volume by food item and by distribution route for the second half of the fiscal year and the expected sales amount. In the second half of the fiscal year, it is expected that sales prices will be adjusted and the cost of major food products will decline and therefore, sales volume will return to the level laid out in the initial plan and sales through major distribution route will increase. As a result, sales for the full fiscal year ending December 2017 is expected to be 52,218 million yen (8.1% increase compared with the previous fiscal year). In regard to our main products of imported fresh fruits and vegetables, which experience seasonal fluctuations, sales increase in the 2nd quarter (April to June) because they are in season, but decrease from September to November because domestic fruits are in season.

[Cost of sales]

Cost of sales for the first half of the fiscal year was 71,949 million yen. Cost rate in the Asian Food Global Business remained almost the same as the previous period, but in the Agricultural and Seafood Trading Business, the overall costs increased because the cost rate of citrus, avocado, etc., exceeded the actual cost rate in the previous period.

Cost of sales for the second half of the fiscal year is expected to be 68,183 million yen, with almost the same rate of increase as that of sales. Cost rate for the Asian Food Global Business is expected to remain at almost the same level as in the previous period. On the other hand, costs for the Agricultural and Seafood Trading Business are expected to decrease and therefore, cost of sales is expected to be almost the same as in the previous period.

As a result, cost of sale for the full fiscal year is expected to be 140,132 million yen (7.5% increase compared with the previous fiscal year).

Note: This document does not constitute an offer of any securities for sale. This document is a press release prepared for the sole purpose of publicly announcing the forecast of the operating results of the Group and it is not for the purpose of soliciting investments, etc., both in and outside Japan. When investing in the Company's common stocks offered and sold that were approved at the meeting of the Board of Directors held on August 25, 2017, investors should refer to the "Prospectus for the issuance of new shares, disposal of treasury shares, and secondary offering of shares" (and its amendments) prepared by the Company before making a decision. The "Prospectus for the issuance of new shares, disposal of treasury shares, and secondary offering of shares" (and its amendments) may be obtained from underwriters. The Company's plans, estimates, expectations, forecasts, and other future information described in this press release are simply a judgement or view of the Company, and therefore, actual operating results, financial position and other results of the Company may be very different from the content of this press release or content assumed from this press release depending on changes in economic conditions, changes in market environment, competition with other companies, fluctuations in foreign exchange rates, etc. This document is not an offer to sell, or solicitation of an offer to buy, securities in the United States. In the United States, under the United States Securities Act of 1933, except for the registration of securities or an applicable exemption from such registration requirement, offering or sale of securities may not be conducted. The securities referred to in this document will not be publicly offered in the United States.

[Gross profit on sales]

Gross profit on sales for the first half of the fiscal year was 14,696 million yen. Gross profit on sale for the second half of the fiscal year is expected to be 14,605 million yen. Therefore, gross profit on sales for the full fiscal year is expected to be 29,302 million yen (4.9% increase compared with the previous fiscal year).

[Selling and general administrative expenses]

Selling and general administrative expenses for the first half of the fiscal year was 11,436 million yen, which is mostly as originally planned. Therefore, selling and general administrative expenses for the full fiscal year are expected to be 22,467 million yen (9.0% increase compared with the previous fiscal year). Main reasons for the increase in selling and general administrative expenses compared to the same period in the previous year are increase in personnel expenses relating to the addition of manpower for the purpose of strengthening the logistics functions, etc., in the North American region; increase in personnel expenses relating to Harro Foods Limited in the United Kingdom (consolidated in April of the previous fiscal year) and Nippon Foods Company Limited in Hong Kong (consolidated in January of the current fiscal year), which became consolidated subsidiaries through M&A executed in the previous fiscal year; and increase in various expenses associated with sales increase.

Addition of manpower in the North American region is considered prior investment aimed at improving the business infrastructure for the expansion of operations going forward, as well as improving back-office functions by switching employees from part-time to full-time status in light of the ObamaCare and increase in wages in the United States.

[Operating income]

Operating income for the first half of the fiscal year was 3,260 million yen. Operating income for the second half of the fiscal year is expected to be 3,575 million yen, and therefore, operating income for the full fiscal year is expected to be 6,835 million yen (6.7% decrease compared with the previous fiscal year). Gross profit on sales is expected to increase 4.9% compared with the same period in the previous year, but selling and general administrative expenses are estimated to increase 9.0% compared with the same period in the previous year and therefore, operating income is expected to fall below the previous fiscal year.

(Asian Food Global Business)

Operating income of the Asian Food Global Business for the first half of the fiscal year was 3,104 million yen. Operating income for the second half of the fiscal year is expected to be 3,347 million yen. As a result, operating income for the full fiscal year is expected to be 6,451 million yen (6.4% increase compared with the previous fiscal year).

(Agricultural and Seafood Trading Business)

Note: This document does not constitute an offer of any securities for sale. This document is a press release prepared for the sole purpose of publicly announcing the forecast of the operating results of the Group and it is not for the purpose of soliciting investments, etc., both in and outside Japan. When investing in the Company's common stocks offered and sold that were approved at the meeting of the Board of Directors held on August 25, 2017, investors should refer to the "Prospectus for the issuance of new shares, disposal of treasury shares, and secondary offering of shares" (and its amendments) prepared by the Company before making a decision. The "Prospectus for the issuance of new shares, disposal of treasury shares, and secondary offering of shares" (and its amendments) may be obtained from underwriters. The Company's plans, estimates, expectations, forecasts, and other future information described in this press release are simply a judgement or view of the Company, and therefore, actual operating results, financial position and other results of the Company may be very different from the content of this press release or content assumed from this press release depending on changes in economic conditions, changes in market environment, competition with other companies, fluctuations in foreign exchange rates, etc. This document is not an offer to sell, or solicitation of an offer to buy, securities in the United States. In the United States, under the United States Securities Act of 1933, except for the registration of securities or an applicable exemption from such registration requirement, offering or sale of securities may not be conducted. The securities referred to in this document will not be publicly offered in the United States.

Operating income for the first half of the fiscal year was 159 million yen, which was below the original plan due to significant cost increase of major food items compared with the initial plan. Operating income for the second half of the fiscal year is expected to be 673 million yen considering that sales prices will be adjusted, the cost of major food items will decline, and food items with a high profit margin will be sold widely. Therefore, taking into consideration the results in the first half of the fiscal year and the forecast of the second half of the fiscal year, operating income for the full fiscal year is expected to be 833 million yen (23.0% decrease compared with the previous fiscal year).

[Ordinary income]

Ordinary income for the first half of the fiscal year was 3,053 million yen. Ordinary income for the second half of the fiscal year is expected to be 3,253 million yen and therefore, ordinary income for the full fiscal year is expected to be 6,306 million yen (8.9% decrease compared with the previous fiscal year).

When the initial plan was developed, foreign currency translation gains and losses were not included, but a review was performed based on the results of the first half of the fiscal year. As a result, a foreign currency translation loss of 200 million yen is included and ordinary income for the full fiscal year is expected to be 6,306 million yen (8.9% decrease compared with the previous fiscal year). The foreign currency translation loss resulted mainly from revaluation of foreign currency held, foreign currency borrowing, and foreign currency lending.

[Net income for the current period attributable to shareholders of the parent company]

Net income attributable to shareholders of the parent company for the first half of the fiscal year was 1,448 million yen. Net income attributable to shareholders of the parent company for the second half of the fiscal year is expected to be 1,900 million yen and therefore, net income for the full fiscal year is expected to be 3,349 million yen (17.6% increase compared with the previous fiscal year).

When the initial plan was developed, extraordinary loss was not included, but during the first half of the fiscal year, an extraordinary loss of 517 million yen was recorded. As a result, net income attributable to shareholders of the parent company for the full fiscal year is expected to be 3,349 million yen (17.6% increase compared with the previous fiscal year). The extraordinary loss of 517 million yen was an impairment loss resulting from revaluation of “customer-related assets” of Nippon Foods Company Limited, which became a consolidated subsidiary in the previous fiscal year.

Note: This document does not constitute an offer of any securities for sale. This document is a press release prepared for the sole purpose of publicly announcing the forecast of the operating results of the Group and it is not for the purpose of soliciting investments, etc., both in and outside Japan. When investing in the Company's common stocks offered and sold that were approved at the meeting of the Board of Directors held on August 25, 2017, investors should refer to the “Prospectus for the issuance of new shares, disposal of treasury shares, and secondary offering of shares” (and its amendments) prepared by the Company before making a decision. The “Prospectus for the issuance of new shares, disposal of treasury shares, and secondary offering of shares” (and its amendments) may be obtained from underwriters. The Company's plans, estimates, expectations, forecasts, and other future information described in this press release are simply a judgement or view of the Company, and therefore, actual operating results, financial position and other results of the Company may be very different from the content of this press release or content assumed from this press release depending on changes in economic conditions, changes in market environment, competition with other companies, fluctuations in foreign exchange rates, etc. This document is not an offer to sell, or solicitation of an offer to buy, securities in the United States. In the United States, under the United States Securities Act of 1933, except for the registration of securities or an applicable exemption from such registration requirement, offering or sale of securities may not be conducted. The securities referred to in this document will not be publicly offered in the United States.