

September 11, 2017

To whom it may concern,

Company name: N i s h i m o t o C o . , L t d .
Name of representative: P r e s i d e n t Takayuki Kanai
(Code No.: 9260 Tokyo Stock Exchange)
Contact: Director and CFO Atsuhiko Kimura,
(TEL: 03-6870-2015)

Notification of determination of the paid-in amount of shares to be offered
and the provisional conditions for book building

We are pleased to announce that the paid-in amount of shares to be offered related to the issuance of new shares through public offering and the disposal of treasury shares through public offering were determined at the meeting of the Board of Directors of the Company held on September 11, 2017 as follows. The issuance of new shares through public offering and the disposal of treasury shares through public offering were previously approved at the meeting of the Board of Directors of the Company held on August 25, 2017, but the paid-in amount of shares to be offered were not determined at that time.

1. Issuance of new shares through public offering (general offering) and disposal of treasury shares through public offering (general offering)
 - (1) Paid-in amount of shares to be offered: 3,825 yen per share
(Provided, however, that if the underwriting amount is below the paid-in amount, the issuance of shares to be offered shall be canceled.)
 - (2) Total paid-in amount of shares to be offered: 7,076,250,000 yen
 - (3) Provisional conditions: Between 4,500 yen and 5,250 yen
 - (4) Basis for the determination of the provisional conditions

To determine the provisional conditions, interviews were carried out with institutional investors among others, and as a result, the following feedback was provided:

- 1) The Company has established a stable business foundation in North America, and its entry barriers are high.
- 2) Expanding business with a private brand "Shirakiku", and a high profitability is expected for it.
- 3) There is a foreign exchange risk for the business.

In addition to the above feedback, the Company took into consideration the comparison with other companies in the same industry, conditions of the current market environment, valuation of newly listed shares in the current market, price fluctuation risks during the period until the listing date, etc. in a comprehensive manner, and as a result, decided that it would be appropriate for the provisional conditions to be between 4,500 yen and 5,250 yen.

Note: This document does not constitute an offer of any securities for sale. This document has been prepared for the sole purpose of publicly announcing the issuance of new shares, disposal of treasury shares, and secondary offering of shares of the Company and it is not for the purpose of soliciting investment, etc., both in and outside Japan. When investing in common stocks of the Company, investors should refer to the prospectus and relevant amendments for the issuance of new shares, disposal of treasury shares, and secondary offering of shares that have been prepared by the Company before making a decision. 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.

2. Issuance of shares to be offered by third-party allotment

- (1) Paid-in amount of shares to be offered: 3,825 yen per share
- (2) Total paid-in amount of shares to be offered: 2,122,875,000 yen

Note: This document does not constitute an offer of any securities for sale. This document has been prepared for the sole purpose of publicly announcing the issuance of new shares, disposal of treasury shares, and secondary offering of shares of the Company and it is not for the purpose of soliciting investment, etc., both in and outside Japan. When investing in common stocks of the Company, investors should refer to the prospectus and relevant amendments for the issuance of new shares, disposal of treasury shares, and secondary offering of shares that have been prepared by the Company before making a decision. 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.

[For reference]

Summary of the issuance of new shares through public offering, disposal of treasury shares through public offering, and secondary offering of shares

1. Number of shares to be offered and sold
 - (1) Number of shares to be offered: Common stock 1,850,000 shares
(Issuance of new shares: 1,130,000 shares/
Disposal of treasury shares: 720,000 shares)
 - (2) Number of shares to be sold: Common stock Secondary offering of shares through purchase and underwriting by the underwriter: 1,850,000 shares
Secondary offering of shares through over-allotment: 555,000 shares (*)
2. Book building period: From 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 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: From September 21, 2017 (Thursday) to September 26, 2017 (Tuesday)
5. Payment date: September 28, 2017 (Thursday)
6. Delivery date: September 29, 2017 (Friday)

Note: This document does not constitute an offer of any securities for sale. This document has been prepared for the sole purpose of publicly announcing the issuance of new shares, disposal of treasury shares, and secondary offering of shares of the Company and it is not for the purpose of soliciting investment, etc., both in and outside Japan. When investing in common stocks of the Company, investors should refer to the prospectus and relevant amendments for the issuance of new shares, disposal of treasury shares, and secondary offering of shares that have been prepared by the Company before making a decision. 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) Part of the shares to be sold related 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. regarding 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 related 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.

The common stock of the Company to be sold related to the secondary offering of shares through over-allotment are shares that are borrowed by Nomura Securities Co., Ltd. from Tatsumi Sangyo 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 meetings on August 25, 2017 and September 11, 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 related 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 issuance 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 during the period of the Syndicate Cover Transaction.

Note: This document does not constitute an offer of any securities for sale. This document has been prepared for the sole purpose of publicly announcing the issuance of new shares, disposal of treasury shares, and secondary offering of shares of the Company and it is not for the purpose of soliciting investment, etc., both in and outside Japan. When investing in common stocks of the Company, investors should refer to the prospectus and relevant amendments for the issuance of new shares, disposal of treasury shares, and secondary offering of shares that have been prepared by the Company before making a decision. 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.