Public Tender Offer for the Company's Shares

Nishimoto Co., Ltd.

November 11, 2024

Outline of the Public Tender Offer for the Company's Shares

- Today, YS SHOUJI Co., LTD released a notice regarding the commencement of a public tender offer for the Company's shares.
- This public tender offer is being conducted as part of a management buyout (MBO) by Yoshiro Susaki, Chairman & CEO of the Company.

[Outline of the public tender offer]

Item	Outline
Offeror	YS SHOUJI Co., LTD • Chairman & CEO Yoshiro Susaki • Joint stock company established on October 7, 2024, with the primary purpose of acquiring and holding the Company's shares
Scheme	Public tender offer for the delisting of the Company's shares
Public tender offer period	Tuesday, November 12, 2024 to Monday, December 23, 2024, 15:30
Purchase price, etc.	1,930 yen per common share
Number of shares to be purchased	11,949,775 shares (there is no maximum or minimum number of shares to be purchased)
Settlement start date (delivery date)	Friday, December 27, 2024

(*) A management buyout (MBO) generally refers to a transaction in which the management team of the target company acquires shares of the target company by investing all or part of the acquisition funds with the intention of continuing the target company's business.

The Company's opinion on the public tender offer

- At the meeting of the Board of Directors held today, the Company expressed its agreement to the public tender offer and resolved to recommend that shareholders tender their shares in the public tender offer.
- Based on the following and other reasons, the Company has determined that delisting the Company's shares and taking the Company private through this transaction, including the public tender offer, will contribute to enhancing the Company's corporate value and securing the interests of the Company's minority shareholders.

Reasons
To achieve higher and sustainable growth and strong profitability in light of the business environment surrounding the Company, it is essential to implement the management measures outlined in the "Management policy after the public tender offer" described on the following page more aggressively, promptly, and reliably than before.
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Because the implementation of these measures will require a large upfront investment over a certain period, there is a risk of declining profit levels and deterioration of cash flow in the short term, and the possibility that the Company's shareholders may experience short-term negative impacts cannot be denied if the Company proceeds with these measures while remaining listed.
▼
By providing the Company's shareholders with an opportunity to sell their shares without short-term negative impacts and by delisting the Company's shares, the Company believes that unifying shareholders and the management team to enable agile and flexible decision-making, and swiftly and actively implementing various measures, is the best choice to improve the Company's corporate value.

Management policy after the public tender offer

- Yoshiro Susaki will continue to manage the Company as Chairman & CEO after the public tender offer is completed.

Management measures (some already underway)	Outline
Aggressive investment in expansion of the mainstay Asian Food Global Business	In the North American and Asian food business, make investments to establish and allocate optimal hubs (warehouses) based on market research, with a view to improving logistics efficiency and optimizing inventory by introducing a hub-and-spoke model. Hub-and-spoke model: A method in which product inventory is consolidated at a central distribution center (hub) and then transported to surrounding distribution facilities (spokes).
Streamlining of business processes through investments in advanced digitization and AI	• Promoting the implementation of WMS and PSI systems, starting with all North American hubs • Establishing a Business Process Excellence (BPE) department to promote SOP restructuring as well as the optimization and integration of IT into business operations, from procurement to sales • Promoting data-driven value creation by analyzing and collecting necessary information on value creation processes, including product development WMS: Warehouse Management System PSI: Production Sales Inventory SOP: Standard Operating Procedures
Reviewing of various personnel systems	• Promoting the planned hiring and development of management personnel • Promoting multi-ethnic diversity with the goal of eliminating ethnic distinctions • Revitalizing the organization through planned, periodic personnel transfers, etc.
Building of a resilient, efficient supply chain	Promoting multi-sourcing in collaboration with multiple partner companies and building a robust supply chain through business and capital alliances with suppliers in key commercial products, etc.
Strengthening of the earnings base of the Agricultural Products Trading Business	Expanding the overseas business: Defining strategic products and target countries, establishing a pseudo-monopoly model leveraging trademark rights, and maximizing profits by appropriately managing production and sales quality and quantities

Dividends and shareholder benefits

- At the meeting of the Company's Board of Directors held today, it was resolved to suspend the year-end dividend for the fiscal year ending December 31, 2024 and to discontinue the shareholder benefit plan from the fiscal year ending December 31, 2024, contingent upon the completion of the public tender offer.

[Future policy on dividends and shareholder benefits]

	Resolution details
Dividends	The dividend forecast for the fiscal year ending December 31, 2024 was revised, and no year-end dividend will be paid for the fiscal year ending December 31, 2024.
Shareholder benefits	The shareholder benefit plan will be discontinued from the fiscal year ending December 31, 2024 (record date: December 31, 2024). Shareholder benefit coupons already mailed to shareholders as of December 31, 2023 can continue to be used. Period of use: Until Tuesday, December 31, 2024

[Related new release]
"Notice of Revision of Year-End Dividend Forecast (No Dividend) for the Fiscal Year Ending December 31, 2024 and Abolition of the Shareholder Benefit Plan" dated November 11, 2024

Contact point for inquiries

- Inquiries regarding the public tender offer application procedures

SMBC Nikko Securities Inc.
[Toll-free number for the public tender offer]
0120-250-959
Weekdays 9:00–17:00 (excluding Saturdays, Sundays, and holidays)

[Guide to Tender Offer]
*External site 'Tender Offer (TOB)' page on the SMBC Nikko Securities website (Japanese only)
https://www.smbcnikko.co.jp/products/stock/tob/index.html

- For other questions, please contact us using the form below.

Nishimoto Co., Ltd.

Email (main): https://www.wismettac.com/en/contact.html