

News Release

March 7, 2018

Nishimoto Co., Ltd.

(Listed in the 1st section of the Tokyo Stock Exchange, securities code 9260)

Nishimoto forms capital and business alliance with a U.S. startup to sell vegan sushi ingredients that replace seafood

We are pleased to announce that we have formed a capital and business alliance with Ocean Hugger Foods, Inc. (head office: Delaware, United States (corporate registration), office in New York, United States, CEO David Benzaquen; hereafter “OHF”) and have begun the sale of vegan sushi ingredients as alternatives for seafood.

1. The background and purpose of this capital and business alliance

With rising concerns for sustainability and health, interest is growing globally for vegan foods (Plant Based Foods), especially in the West. The market for these foods has also been growing.

According to Nielsen, the world’s top market research company, about 39% of consumers in the United States intend to incorporate vegan food in their diet. This means that more people than all vegetarians (6% of the population of the United States) and vegans (likewise, 3%) in the U.S. are interested in vegan food (Nielsen, September 2017). Also, the millennial generation, between 18 and 38 years old, contains the highest percentage of vegans.

OHF is a startup based in New York. Founder James Corwell [photo (1)] is responsible for product development and is also a master chef, a qualification that has been granted to only 68 people by the American Culinary Federation.

In 2017, OHF started selling a tuna alternative vegan food under the Ahimi brand [photos (2), (3)]. Ahimi is a sushi ingredient for vegans made principally with vegetables, sold through the Whole Foods supermarket chain and other stores in the United States. Offering sushi options to vegans, Ahimi has gained attention and been covered by CNN, The New York Times, Forbes and more.

Going forward, OHF plans to develop and launch new products successively, including an eel alternative “Unami” [photo (4)].

Having formed a capital and business alliance with OHF and received their convertible bonds, Nishimoto is in the position to lead the sales of OHF’s vegan sushi ingredients in the world.

We hope to use our global network, which spans across North America, Europe and Asia, to respond to client needs for vegan food, positioning it as part of our sushi ingredient business.

2. Future prospects

OHF’s vegan sushi ingredient sales in the first year totaled about 200 million yen. We hope to expand the business to about 1.5 billion yen within a few years.

Even when the convertible bonds are converted to shares, their impact on the consolidated results for December 2018 will be minimal as they will not be part of the consolidation.

3. Outline of OHF

- (1) Company: Ocean Hugger Foods, Inc.
- (2) Address: 77 Bleecker Street, Suite C2-21, New York, NY
- (3) Representative: CEO David Benzaquen
- (4) Established: June 2015
- (5) Business: Developing and selling Plant Based Foods as seafood alternatives



[Photo (1) United States master chef James Corwell]



[Photo (2) Ahimi (tomato is used in place of tuna)]



[Photo (3) Ahimi (tomato is used in place of tuna)]



[Photo (4) Unami (eggplant is used in place of eel)]

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