

News Release

Nishimoto Co., Ltd.

(1st section of the Tokyo Stock Exchange, local code 9260)

Notification of a Capital and Business Alliance with a Japanese Food Wholesaler in Vietnam

We would like to announce that, with the aim of growing further and acquiring market share in Vietnam, Nishimoto Co., Ltd. (“the Company”) has decided to invest today in SIM BA TRADING COMPANY LIMITED (“SIM BA”), one of the leading Japanese food wholesalers in the country and to enter into a capital and business alliance with them.

1. Background of advancement into Vietnam and the purpose of investment

Vietnam’s real GDP growth rate in the first half of 2019 remains high at 6.8% year-on-year. The growth of the restaurant market is particularly noticeable and an annual growth rate of over 10% has been maintained for the past 20 years, and it is expected that it will continue growing over the next 20 to 30 years (Source: JETRO “The Food Market in Vietnam (The Japanese Food Market)” July 2018). Backed by this growing market, SIM BA’s business performance has been steady, and we can expect further growth and the acquisition of market share due to synergy with the Company resulting from this investment, as well as by the favorable macro environment.

2. The Company’s strategies

SIM BA is one of the leading Japanese food wholesalers in Vietnam, with five business sites in the country, and has maintained good business relations with our group companies for many years. We judged that they would be the best partner for us, as we are aiming for business expansion in Vietnam and its surrounding countries, which led us to capital

participation. We will strive to increase sales of our products further using SIM BA's sales channels and business infrastructure, and at the same time, we will aim to develop a multifaceted business such as product development and the launch of new products by sharing knowledge between the two companies.

3. Overview of target company

- Company name: SIM BA TRADING COMPANY LIMITED
- Location: Ho Chi Minh City and four other sites - Hanoi, Haiphong, Da Nang and Nha Trang
- Representative: Nguyen Cong Binh
- Paid-up capital: 10 billion Vietnamese dong(*)
- Composition of stockholders: wholly owned by the founder family
(The Company's stake will be 30%.)
- Established: December 2004
- Company business: Japanese food wholesale
- URL : <http://www.simba.com.vn/>

* One Vietnamese dong is approximately 0.0047 yen as of January 2020.

4. Impact on our business results

We expect that the impact from the subject matter on our business results for FY December 2020 will be insignificant.

[Contact information for inquiries]

Nishimoto Co., Ltd.

Corporate Planning Department Telephone: 03-6870-2009