



Supplementary Materials to Financial Results

Fiscal year ended December 2023

Nishimoto Co., Ltd.

February 14, 2024





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FYE 12/2023 financial results

- ◆ The company achieved the highest-ever net sales, operating income, and ordinary income.
- ◆ Due to various factors, such as that deposit interest rates in the U.S. remained high, non-operating income rose, and as a result, ordinary income registered a significant YoY increase. Net profit slightly fell because the company posted an impairment loss related to Singapore BCM.

BCM: Ban Choon Marketing Pte. Ltd.

2022/full year	Net sales	275.2 billion yen	Operating income	10.5 billion yen	Ordinary income	10.8 billion yen	Net profit	6.8 billion yen*
2023/full year	Net sales	300.8 billion yen	Operating income	11.0 billion yen	Ordinary income	12.5 billion yen	Net profit	6.3 billion yen*

(*) Net profit attributable to owners of parent

FYE 12/2024 forecasts of consolidated financial results

- ◆ For FYE2024, the first year of the Medium-Term Business Plan (2024–2026) announced in October 2023, the company expects 354.0 billion yen and 15.0 billion yen in net sales and operating income, respectively, as forecasted in the Plan.

2024/interim	Net sales	165.0 billion yen	Operating income	7.0 billion yen	Ordinary income	7.0 billion yen	Net profit	4.5 billion yen*
2024/full year	Net sales	354.0 billion yen	Operating income	15.0 billion yen	Ordinary income	15.0 billion yen	Net profit	9.0 billion yen*

(*) Net profit attributable to owners of parent

- ◆ The average exchange rate during the term is \$1.00=135 yen and €1.00=145 yen (The assumptions for the Medium-Term Business Plan remain unchanged)
- ◆ The above-quoted forecasts of financial results include the contributions to the P/L statement of Uniontrade in Italy and an M&A project to be implemented(*)

(*) See the Notice Regarding the Consideration of Acquiring Shares in GERONIMO (France), February 14, 2024.

Policy for shareholder returns and dividend forecasts

- ◆ The year-end dividend for FYE 12/2023 will be 80 yen as initially announced. The dividend for the full year will be 160 yen, the largest ever since the company was listed.
- ◆ Dividend forecasts for FYE 12/2024 are as listed below. The policy is to consider the consolidated dividend payout ratio as an important indicator, and the guideline is to maintain the payout ratio for the full year at around 30%.

FYE 12/2023	Interim	80 yen (result)	Year-end	80 yen	Total	160 yen
FYE 12/2024	Interim	90 yen	Year-end	100 yen	Total	190 yen

- The company plans a share split at a rate of three shares to one share with June 30, 2024, as its record date. (See the Notice Regarding Share Split and Partial Amendment of the Articles of Incorporation Associated with the Share Split, February 14, 2024)
- The above-quoted dividend forecasts for FYE 12/2024 do not take the effects of the share split into consideration.



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Summary of Financial Results for FYE 12/2023

Summary (overall)

- ◆ Net sales increased **9.3%** YoY.
 - Net sales grew YoY mainly in the Asia Food Global Business (AFB), basically achieving the forecast financial results for the full year.
- ◆ Operating income rose **5.0%** YoY, and ordinary income jumped **15.5%** YoY.
 - The company achieved greater income YoY mainly by increasing net sales in the AFB business and securing profits through selling price adjustments.
 - Operating income was the largest-ever. Ordinary income registered a significant increase YoY because non-operating income rose due to factors such as that deposit interest rates in the U.S. remained high.

(Unit: billions of yen)

		FY ended December 2022		FY ended December 2023		Changes year-on-year		<Reference> FY2023 full-year forecast*	
		Full Year results		Full Year results					
				(Oct-Dec)		(Oct-Dec)			
Operating results	Net sales	275.2	72.9	300.8	77.2	+25.6	+9.3%	304.0	+99.0%
	Gross profit	55.3	14.7	62.2	16.2	+6.9	+12.4%		
	Operating income or loss(△)	10.5	2.2	11.0	2.2	+0.5	+5.0%	12.0	+91.8%
	Ordinary income or loss(△)	10.8	2.1	12.5	2.5	+1.7	+15.5%	13.5	+92.3%
	Net income or loss(△) attributable to owners of parent	6.8	1.1	6.3	▲ 0.4	▲0.6	▲8.1%	7.5	+83.6%
Yen/Dollar exchange rate (Average rate during the period)		131.43 yen		140.56 yen		+9.13 yen			
Net income or loss(△) per share		475.14 yen		436.75 yen		▲8.1%			

Operating Results by Segment for FYE 12/2023

Asian Food Global Business (AFB)

- ◆ Net sales increased **9.5%** YoY (up 8.0% for North America, up 16.6% for Europe, and up 11.7% for Asia and Australia)
 - Sales for major grocery chains expanded while those for Europe's chain restaurants continued to be strong.
 - Operating income grew **13.7%** YoY as North American sales continued to be strong and better profit ratios in European and Asian bases contributed to growth in operating income.

Agricultural & Seafood Products Trading Business

- ◆ Net sales rose **8.3%** YoY. The company took active sales measures to increase the share of imported vegetables and fruits and achieved steady shipments in the export business and the trading of frozen and processed food ingredients.
- ◆ Operating income decreased YoY due to factors such as the effects of substantial falls in the market prices of major fresh vegetables and fruits during the second half of the third quarter and thereafter, as well as the deteriorating profitability of BCM.

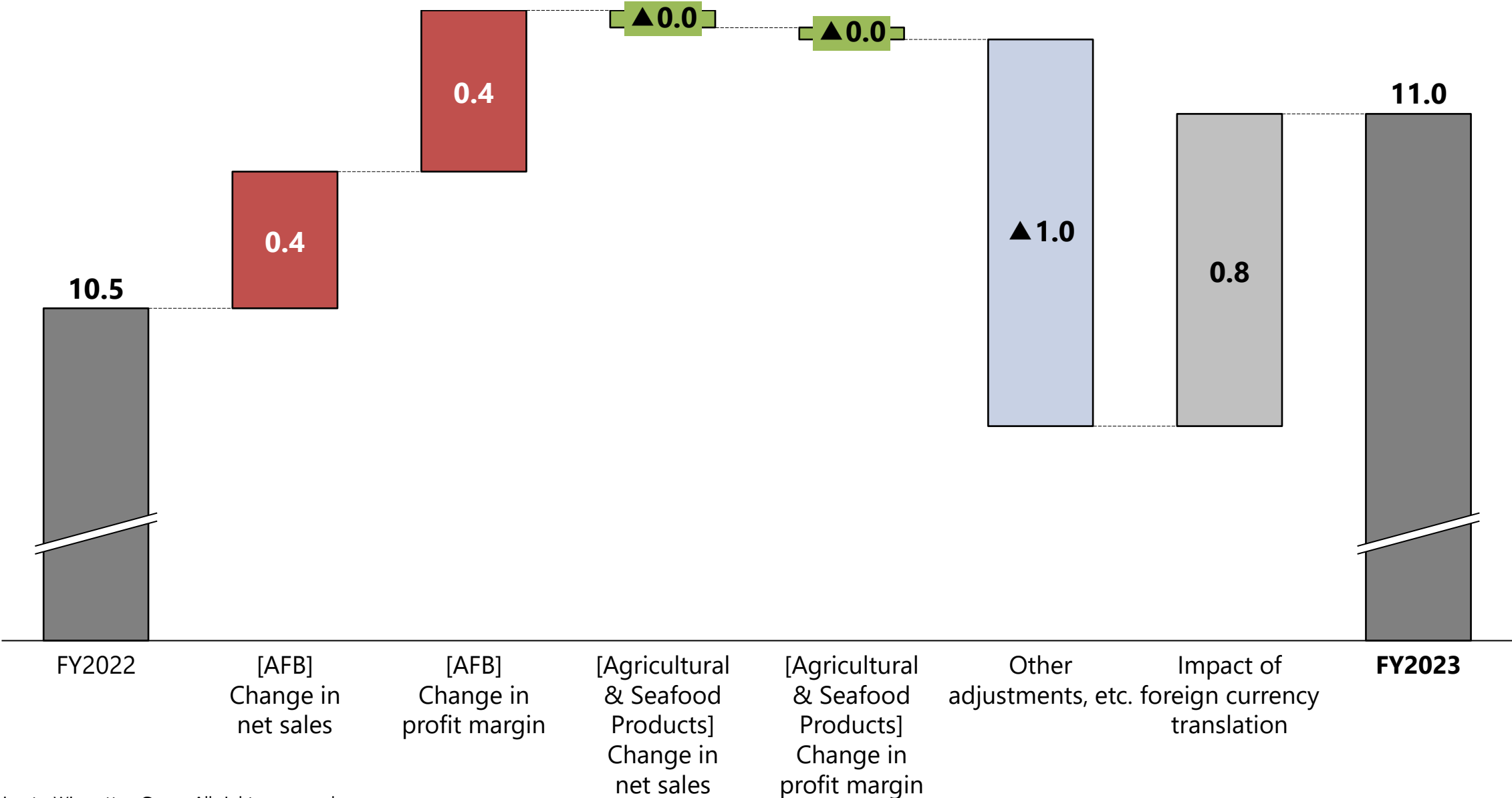
(Unit: billions of yen)

Business segments		FY ended December 2022		FY ended December 2023		Changes year-on-year		[Less impact of foreign currency translation] Changes year-on-year	
		Full Year results		Full Year results					
			(Oct-Dec)		(Oct-Dec)				
AFB	Net sales	216.1	58.3	236.6	62.0	+20.5	+9.5%	+5.0	+2.3%
	Operating income or loss(△)	12.4	2.7	14.1	3.4	+1.7	+13.7%	+0.8	+6.5%
Agricultural & Seafood Products Trading Business	Net sales	55.2	13.1	59.8	13.5	+4.6	+8.3%	+3.8	+6.9%
	Operating income or loss(△)	▲ 0.9	▲ 0.2	▲ 1.0	▲ 0.6	▲0.1	-	▲0.1	-
Other	Net sales	3.9	1.4	4.5	1.7	+0.6	+15.1%	+0.6	+15.1%
	Operating income or loss(△)	▲ 0.2	▲ 0.0	▲ 0.2	0.1	+0.1	-	+0.1	-
Adjustment	Net sales	-	-	-	-	-	-	-	-
	Operating income or loss(△)	▲ 0.7	▲ 0.3	▲ 1.8	▲ 0.7	▲1.1	-	▲1.1	-
Total	Net sales	275.2	72.9	300.8	77.2	+25.6	+9.3%	+9.4	+3.4%
	Operating income or loss(△)	10.5	2.2	11.0	2.2	+0.5	+5.0%	▲0.3	▲3.0%

Factors Affecting Year-on-Year Changes in Operating Income



(Unit: billions of yen)



(Reference) Sales by Segment and Region and Profit Structure

* On a managerial accounting basis (Unit: billions of yen)

(Unit: billions of yen)

	FY ended December 2022		FY ended December 2023		Changes year-on-year			
	Net sales	Operating income or loss(△)	Net sales	Operating income or loss(△)	Net sales		Operating income or loss(△)	
AFB	216.1	12.4	236.6	14.1	+20.5	+9.5%	+1.7	+13.7%
NA	156.9	12.2	169.5	13.1	+12.6	+8.0%	+0.9	+7.5%
EU	39.0	1.2	45.5	1.5	+6.5	+16.6%	+0.3	+27.1%
Asia /Australia	12.0	▲ 0.0	13.4	0.5	+1.4	+11.7%	+0.6	-
Japan	8.6	0.3	8.6	0.5	+0.1	+0.9%	+0.2	+64.2%
Goodwill etc.		▲ 0.9		▲ 0.9	-	-	▲ 0.0	-
Segment Adjustment	▲ 0.2	▲ 0.4	▲ 0.3	▲ 0.6	▲ 0.1	-	▲ 0.2	-
Agricultural & Seafood Products Trading Business	55.2	▲ 0.9	59.8	▲ 1.0	+4.6	+8.3%	▲ 0.1	-
Asia /Australia	11.1	▲ 0.2	11.3	▲ 0.5	+0.1	+1.2%	▲ 0.3	-
Japan	44.8	▲ 0.3	49.3	▲ 0.4	+4.6	+10.2%	▲ 0.1	-
Goodwill etc.		▲ 0.1		▲ 0.1	-	-	▲ 0.0	-
Segment Adjustment	▲ 0.7	▲ 0.2	▲ 0.9	0.1	▲ 0.2	-	+0.2	-
Other	3.9	▲ 0.3	4.6	▲ 0.7	+0.6	+15.3%	▲ 0.5	-
Japan	3.9	▲ 0.3	4.6	▲ 0.7	+0.6	+15.3%	▲ 0.5	-
Other adjustments, consolidation adjustments, etc.	▲ 0.1	▲ 0.7	▲ 0.1	▲ 1.3	▲ 0.0	-	▲ 0.6	-
Total	275.2	10.5	300.8	11.0	+25.6	+9.3%	+0.5	+5.0%

The company achieved increased sales and increased profit on a group-wide basis with its operating income being the largest-ever.

◆ AFB Business

- The AFB Business drove the group's sales and profit, increasing both sales and profit YoY.
- Sales continued to be strong mainly in North America, and partly because of the effects of price adjustments and other factors, overall sales rose. Better profit ratios in Europe and other regions, etc., contributed to profit growth.

◆ Agricultural and Seafood Products Trading (Agri) Business

- Sales for these products for the domestic market increased YoY mainly through active sales measures to increase market shares, but during the second half of the third quarter and thereafter, the market prices of major products plunged. As the business was affected by the effects of market price fluctuations, profitability deteriorated due in part to early inventory adjustments.
- BCM strove to expand sales channels for retailers, but its profitability deteriorated partly because of the effects of rises in cost and other factors. In FYE2023, the company posted a loss, but in order to recover its profitability in FYE2024, it is reorganizing its non-performing dealings and reviewing its operation system drastically.

◆ Other Businesses (Amenity and New-Business Development)

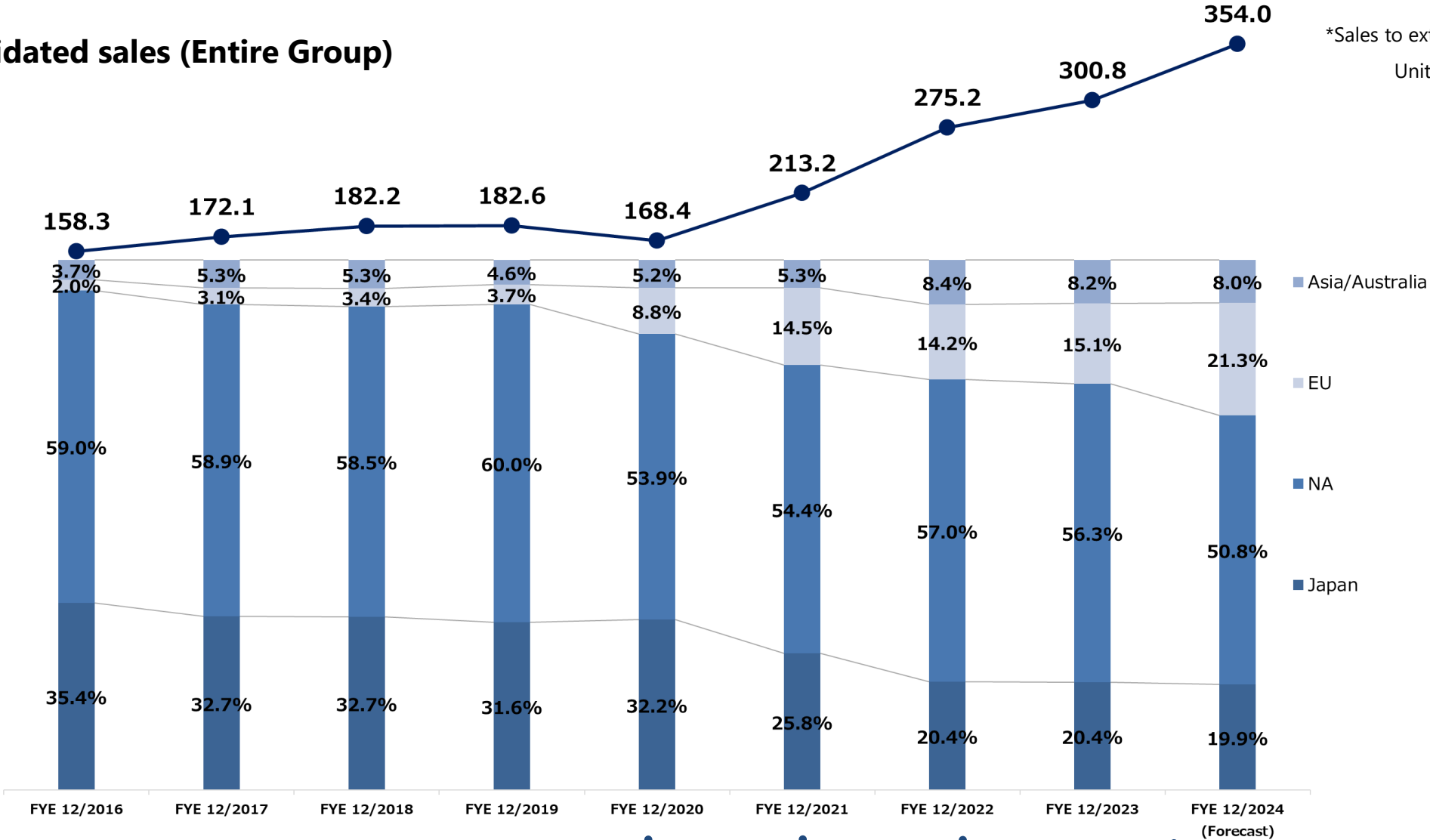
- Although both the sales of imported foods and the supplement business were affected by the weak yen, sales continued to be strong. One achievement in the imported foods sales business was the establishment of an online platform (EC site).
- In the development of new businesses, costs were incurred at an early stage due to the launch of PoC for hometown tax donation and other projects. The PDCA system was strengthened to make the projects profitable quickly.

Sales Composition Ratio by Region



● Consolidated sales (Entire Group)

*Sales to external customers
Unit: billions of yen



SSP (Germany 2020/2), C3C (France 2020/7) joined the WMC Group as consolidated subsidiaries

Sco-Fro Group (Scotland 2021/2) joined the WMC Group as a consolidated subsidiary

BCM (Singapore 2022/1) joined the WMC Group as a consolidated subsidiary

UT (Italy 2023/10) joined the WMC Group as a consolidated subsidiary
* Reflected on P/L starting from FYE 12/2024

Consolidated Balance Sheet (Summary)

Financial Policy

- ◆ At the Tokyo Exchange's Prime market, balance the proactive investments to expand business and stable dividend in order to achieve sustainable growth with healthy financial foundation
 - Target an equity ratio of 30-40% in the Medium-Term Business Plan and aim for a consolidated dividend payout ratio of approximately 30% for the full year.

(Unit: billions of yen)

		End of 12/2022	End of 12/2023	Changes	Main reasons for changes
Total assets	Current assets	151.0	177.6	+26.6	Cash and deposits +18.2 Accounts receivable-trade +4.1
	Non-current assets	28.2	34.9	+6.7	Goodwill +3.8
Total assets		179.2	212.5	+33.3	
Total liabilities	Current liabilities	33.6	47.7	+14.1	Short-term borrowings +6.3
	Non-current liabilities	73.5	84.9	+11.3	Long-term borrowings +9.5
Total liabilities		107.2	132.6	+25.5	
Total net assets		72.1	79.9	+7.8	Foreign currency translation reserve +4.6 Retained earnings +4.1
Total liabilities and net assets		179.2	212.5	+33.3	
Yen/Dollar exchange rate (Year-end rate)		132.70 yen	141.83 yen	+9.13 yen	
Shareholders' equity ratio		40%	38%	▲2pt	

- Retrospective application of changes in tax effect accounting standards for certain foreign subsidiaries for the previous fiscal year end (December 31, 2022)
- Insignificant impact on retrospective application on total assets and profit attributable to owners of parent

Consolidated Statements of Cash Flows (Summary)

(Unit: billions of yen)

	FYE 12/2022 Year-to-date Actual	FYE 12/2023 Year-to-date Actual	Changes Year-on year	Main reasons for changes (Change from previous period)
Cash flows from operating activities	▲ 1.2	14.2	+15.4	Increase/decrease in inventory assets +4.8 Increase/decrease in purchasing obligations +3.9
Cash flows from investing activities	▲ 3.1	▲ 8.0	▲ 4.9	
Cash flows from financing activities	9.9	9.6	▲ 0.3	
Exchange rate change	4.5	2.3	▲ 2.2	

Cash and cash equivalents	FYE 12/2022 Year-to-date Actual	FYE 12/2023 Year-to-date Actual	Changes Year-on year	Remarks
Cash and cash equivalents at beginning of period	65.6	75.8	+10.1	
Net increase (decrease) in cash and cash equivalents	10.1	18.2	+8.0	
Cash and cash equivalents at end of year	75.8	93.9	+18.2	

Breakdown of Strategic Investment

	Aims	Measures	Amount (including expenses/billions of yen)			
			2022	2023		
			Results	Plan	Results	
1	Expansion Business Fields	<ul style="list-style-type: none"> Diversification of the business portfolio 	<ul style="list-style-type: none"> Creation of new businesses that integrate food, healthcare, etc. (new solution development business) 	0.8	0.9	0.7
2	Sales Channel Development and System Enhancement (Strengthening Interregional Cooperation)	<ul style="list-style-type: none"> Building business strategies for strengthening mainstream sales channel, etc., and building business strategies for deepening transactions Strengthening management and operational capabilities in each region 	<ul style="list-style-type: none"> Product development and mainstream sales channel development in Europe and China Strengthening of overseas regional management systems 	1.1	1.1	0.6
3	Strengthening Profitability of Existing Businesses	<ul style="list-style-type: none"> Further expansion of the private brand product lineup Development of health-conscious products Improve operational efficiency and information security Improve accuracy of SCM operations Build a more customer-oriented organization Strengthen in-house collaboration across divisions and departments 	<ul style="list-style-type: none"> Enhancement of the product development divisions SCM and IT infrastructure investments Organizational revitalization/streamlining 	0.1 0.2 0.1	0.2 0.6 0.1	0.2 0.2 0.1
4	Development of New Businesses Derived from Existing Businesses	<ul style="list-style-type: none"> Capturing growth in overseas markets Capturing food service businesses responding to the New Normal lifestyle 	<ul style="list-style-type: none"> Construction of a mechanism for overseas export of Japanese agricultural products Development of new services to the restaurant industry (New Normal eating habits) 	0.3 0.1	0.3 0.3	0.3 0.1
				2.7	3.5	2.2

• As the management system for overseas operations and the business strategy for China were reviewed, the investments were below the initial plans.

• Due to the change of the timing for the introduction of an ERP system, depreciation expenses arose during the second half of the year and thereafter.
• Investments for SCM and IT infrastructure will continue during the next term and thereafter.



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Forecasts of Consolidated Financial Results for FYE 12/2024

Assumptions for the plan

- ◆ For FYE 12/2024, the first year of the Medium-Term Business Plan (2024–2026) announced in October 2023, the company expects **354.0 billion yen and 15.0 billion yen in net sales and operating income**, respectively, as forecast in the Plan.
- ◆ The average exchange rates during the fiscal year are \$1.00 = 135 yen and €1.00 = 145 yen. (Same as when the Medium-Term Business Plan was formulated.)
- ◆ In the key AFB Business (restaurant, take-out, and retail), the company continues to expect business expansion in the future, mainly in North America and Europe.
 - The company is aiming to capture the growth in the Asian food market by increasing sales through local mainstream sales channels in North America and expanding existing bases' sales channels and utilizing M&A, including UT*, in Europe.

* UT joined the WMC Group as a consolidated subsidiary at the end of October 2023 with its financial results scheduled to be reflected on P/L starting from FYE 12/2024.

	FY2023		FY2024 Forecast		Increase/decrease (interim)		Increase/decrease (full year)	
	Interim	Full year	Interim	Full year				
Net sales	146.3 billion yen	300.8 billion yen	165.0 billion yen	354.0 billion yen	+187	(+12.8%)	+532	(+17.7%)
Operating income	5.7 billion yen	11.0 billion yen	7.0 billion yen	15.0 billion yen	+13	(+22.0%)	+40	(+36.1%)
Ordinary income	6.5 billion yen	12.5 billion yen	7.0 billion yen	15.0 billion yen	+5	(+8.5%)	+25	(+20.4%)
Net profit attributable to owners of parent	4.4 billion yen	6.3 billion yen	4.5 billion yen	9.0 billion yen	+1	(+2.8%)	+27	(+43.6%)
Mid-Term Plan KPIs	Operating income ratio	3.7%		4.2%				
	ROWC	19%		24%				
	ROE	8%		10% or more				
	Capital adequacy ratio	38%		30–40%				

(The average USD/JYE exchange rate during the term)

(140.56)

(135.00)

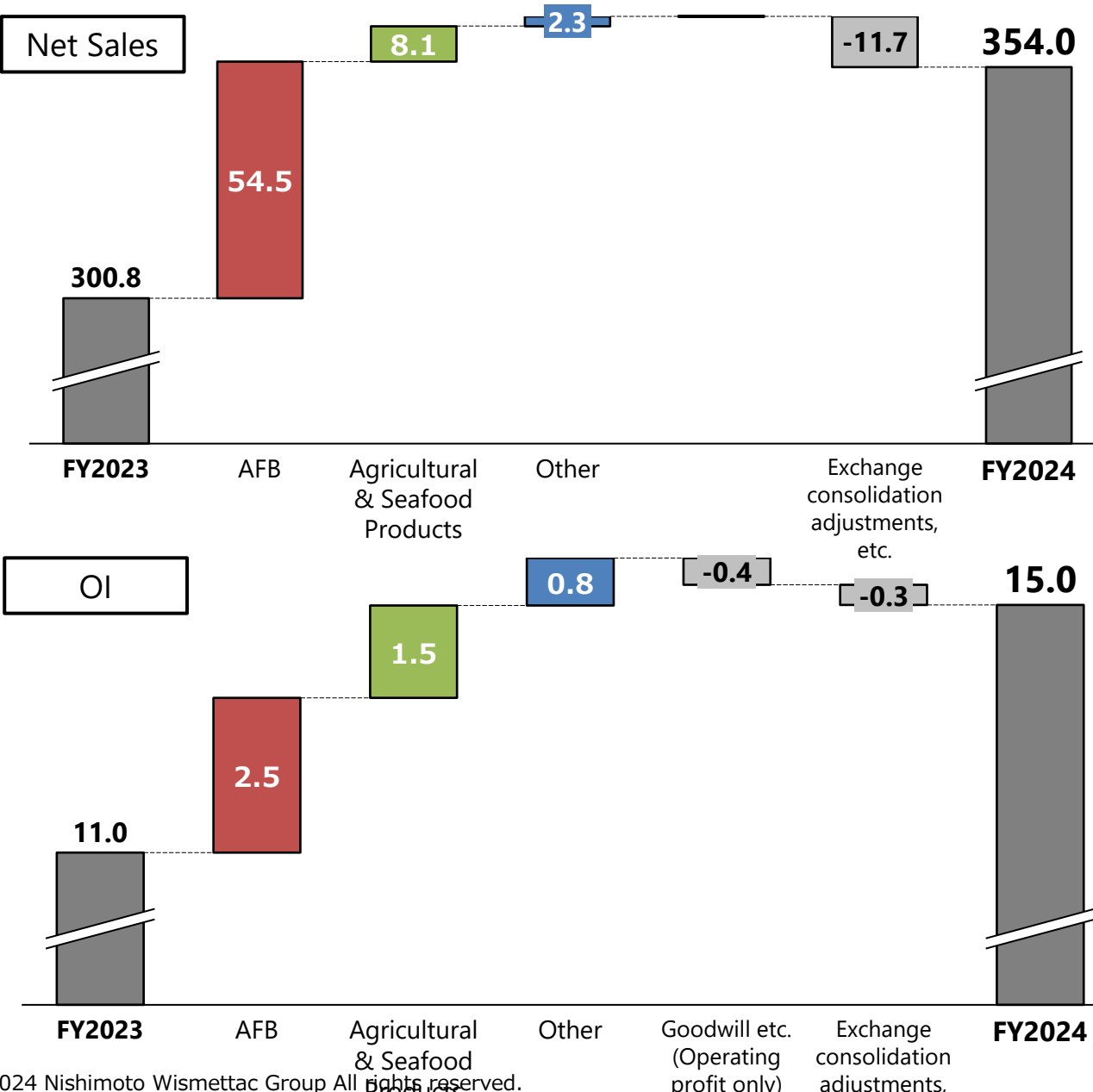
(The average EUR/JYE exchange rate during the term)

(152.00)

(145.00)

Forecasts of Consolidated Financial Results for FYE 12/2024 (by Segment)

* On a managerial accounting basis (Unit: billions of yen)



AFB Business	Further business expansion
<ul style="list-style-type: none"> ◆ North America <ul style="list-style-type: none"> • Work more closely with the Procurement Division to concentrate on increasing market shares by expanding product lineups and on widening mainstream sales channels. • Promote investments for SCM improvement as part of the initiatives in the first year of the Medium-Term Business Plan. ◆ Europe <ul style="list-style-type: none"> • Strive to develop new sales areas and expand sales channels for restaurants and major retail chains and at the same time, control selling, general, and administrative expenses more tightly. • Uniontrade and an M&A project(*) are expected to contribute to the P/L during the current term. <p style="font-size: small; text-align: right;">* See the Notice Regarding the Consideration of Acquiring Shares in GERONIMO (France), February 14, 2024</p>	
Agri Business (Agricultural & Seafood Products Trading)	Recovery from the previous term's loss
<ul style="list-style-type: none"> ◆ Domestic <ul style="list-style-type: none"> • Focus on reducing the effects of market volatility in daily operations by reviewing the sales strategy and purchasing program by product. Recover from the previous term's loss by striving to enhance price competitiveness mainly through a review of selling, general, and administrative expenses. ◆ Overseas, exports, etc. <ul style="list-style-type: none"> • A drastic review of BCM's operation system, including the reorganization of non-performing dealings, is under way to recover its profitability in FYE2024. BCM aims at improving its gross profit ratio. 	
Other businesses (including new-business development)	Review of the new-business development system
<ul style="list-style-type: none"> ◆ Review the system and future policy to promote the development of new businesses, including existing PoC, to generate profits at an early stage and control selling, general, and administrative expenses more tightly. 	
Strategic investment policy	Intensive investments in focused areas
<ul style="list-style-type: none"> ◆ Intensive investments in the target areas listed below <ol style="list-style-type: none"> ① Business expansion (such as M&A) ② Reducing operational labor and achieving greater operational efficiency with focus on logistics ③ Investments for digitization ◆ Strengthen the profit management system of the entities acquired (including dispatch of human resources) 	

(*1) [AFB Business] Asia Food Global Business; [Agri Business] Agricultural & Seafood Products Trading Business; [Other Businesses] Amenity Business (Domestic and Other) + New Business Development
 (*2) The plan for each business segment is based on figures prior to the distribution of adjustments (such as undistributed expenses)

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Policy for Shareholder Returns and Dividend Forecasts

Basic policy

- ◆ Continue to pay stable dividends while securing internal reserves for future business development and strengthening the financial structure.
- ◆ Consider the dividend payout ratio as an important indicator and aim for a consolidated dividend payout ratio of approximately 30% for the full year.

Dividend results and forecasts for FYE 12/2023

- ◆ The company plans to pay a year-end dividend of 80 yen per share for FYE 12/2023 as announced at the beginning of the year, although it did not post net profit as initially planned.
- ◆ The annual dividend was 160 yen per share, the highest ever since the company was listed (up 15 yen YoY).

Dividend forecasts for FYE 12/2024^(*)

Interim 90 yen per share

Year-end 100 yen per share

Annual 190 yen per share

(*)

- The company plans a share split at a rate of three shares to one share with June 30, 2024, as its record date. (See the "Notice Regarding Share Split and Partial Amendment of the Articles of Incorporation Associated with the Share Split," February 14, 2024)
- The above-quoted dividend forecasts for FYE 12/2024 do not take factors such as the effects of the share split into consideration.

Dividend per share

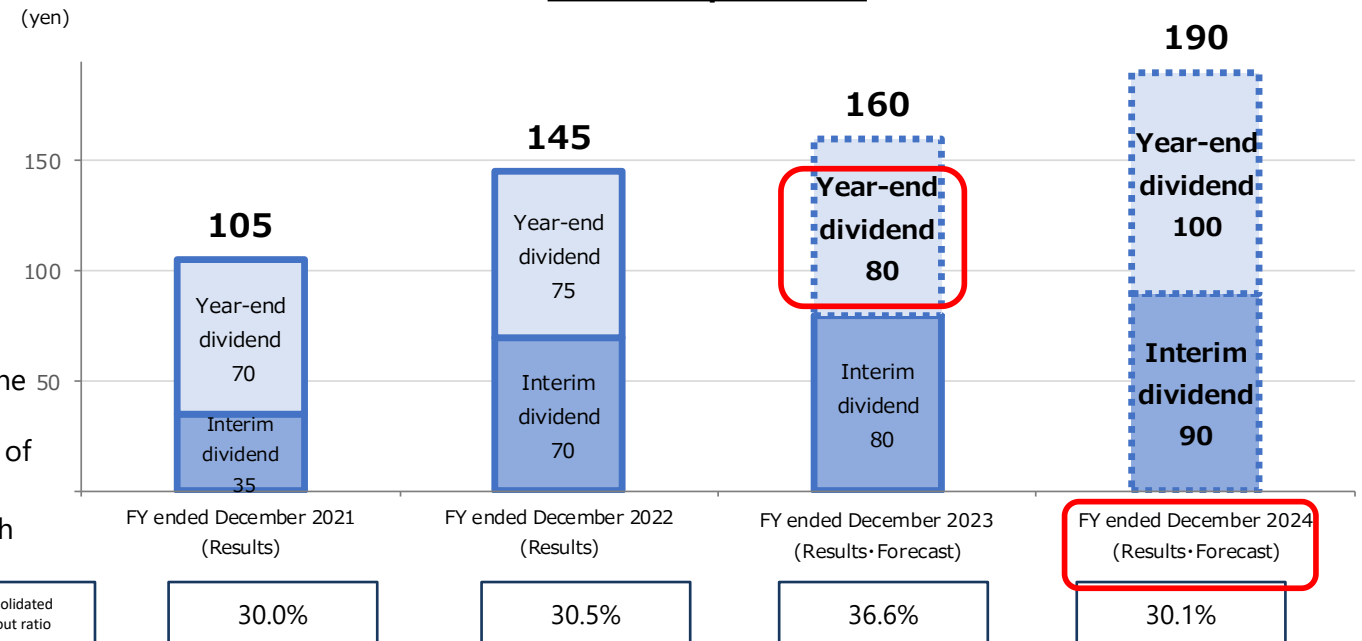




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- Within the Asian Food Global Business (hereinafter referred to as AFB), the company commits to achieve a **sales of 500 billion yen and an operating income of 25 billion yen through organic growth of existing businesses by 2026** (*1). The company plan a 2% profit margin increase by expanding sales in existing sales channels (mainly mainstream), increasing PB production, reducing product costs through global EtoE integration of SCM, and reducing operating expenses through digitalization and investments in logistical efficiency.
- In addition to the above, the company has generated 100 billion yen (*2) through operating and financial cashflow, and allocated the **100 billion yen (*2) for strategic investments** mainly in the follow three areas;
 1. M&A and JVs to gain presence in unexplored regions within the AFB business, upfront investments in products/resources for which there are potential concerns regarding supply shortages in the future, investments to improve in-house production capability such as R&D and RTE products development, upfront investments in upstream areas where expansion is expected in the future such as plant-based seafood/meat and land-based aquaculture.
 2. Investments in overseas production and sales of Japanese fruits and vegetables holding exclusive cultivation rights
 3. Investments in the food industry solutions business and domestic/international food technology (including the acquisition of startup businesses with synergy).
- Maintain **equity ratio of 30-40% and dividend payout ratio of 30%**
- Manage financial, market, geopolitical, and other risks while responding to uncertainties

<Note-1> **Assumed average exchange rate** during the period of the mid-term business plan: **USD = 135 JPY**

<Note-2> As **export products from Japan account for 15% of the AFB in North America** and they offset foreign exchange reserves with the imported fruit, vegetable and the other products, **the actual impact caused by USD/JPY exchange rate fluctuations on our business is minimal** (*3)

<Note-3> As the mid-term business plan will be fixed and unchanged for three years, the next mid-term business plan (2027-2029) will be announced in 2026 or later (*4)

(*1) Including M&A transactions which are currently planned and under implementation

(*2) Cash and cash equivalents at the end of 2023 are expected to be 100 billion yen

(*3) Excluding the impact of conversion of financial statements of foreign subsidiaries resulting from exchange rate fluctuations on consolidated results

(*4) Plans will be revised and announced as deemed necessary due to major changes in the business environment

Three-Year Business Plan (Organic)

* Including only scheduled M&As.
Un-planned M&As are additional opportunities to be overlaid.



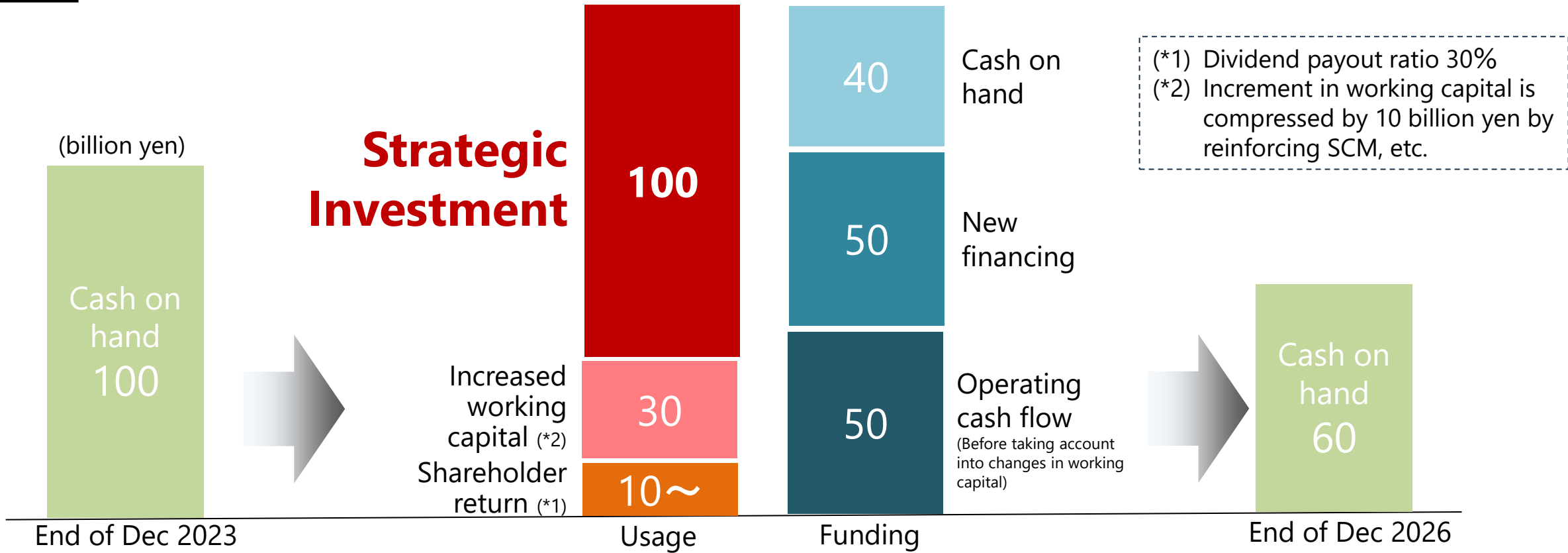
(billion yen)

	FY2022 Results	FY2023 Forecast	FY2024 Plan	FY2025 Plan	FY2026 Plan
Sales	275.2	304.0	354.0	430.0	500.0
Operating Income	10.5	12.0	15.0	19.0	25.0
Operating Margin	3.8%	3.9%	4.2%	4.4%	5.0%
ROWC	21%	21%	24%	27%	31%

(Exchange rate: USD=135 JPY)

In addition to expansion of existing sales channels and PB production, we will accelerate growth and eliminate redundancy through data-driven management based on visualization, investments to save labor in logistics, and commit to achieve a sales of 500 billion yen and operating income of 25 billion yen in 2026

Cash Management and Allocation Policy



Strategic investment framework of 100 billion yen to be invested in the follow three areas

1. M&A and JVs to gain presence in unexplored regions within the AFB business, upfront investments in products/resources for which there are potential concerns regarding supply shortages in the future, investments to improve in-house production capability such as R&D and RTE products development, upfront investments in upstream areas where expansion is expected in the future such as plant-based seafood/meat and land-based aquaculture.
2. Investments in overseas production and sales of Japanese fruits and vegetables holding exclusive cultivation rights
3. Investments in the food industry solutions business and domestic/international food technology (including the acquisition of startup businesses with synergy).

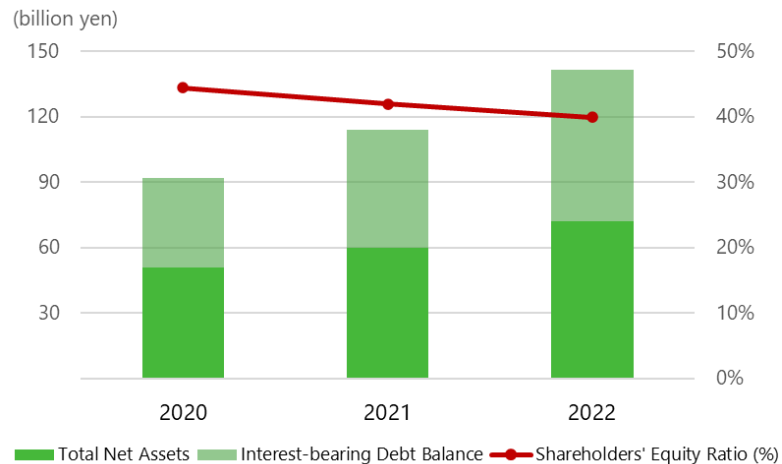
Fundamental Policy

At the Tokyo Exchange's Prime market, balance the proactive investments to expand business and stable dividend in order to achieve sustainable growth with healthy financial foundation

Target

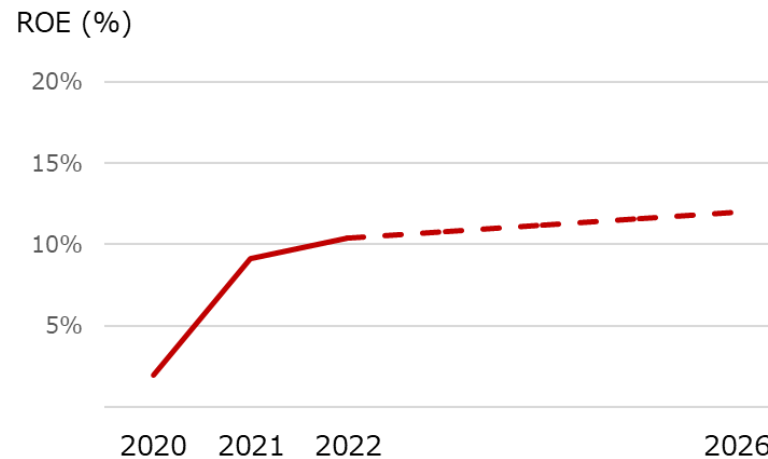
Shareholders' equity ratio
30 - 40%
 (As of end of June 2023: 42%)

Maintained a solid financial base



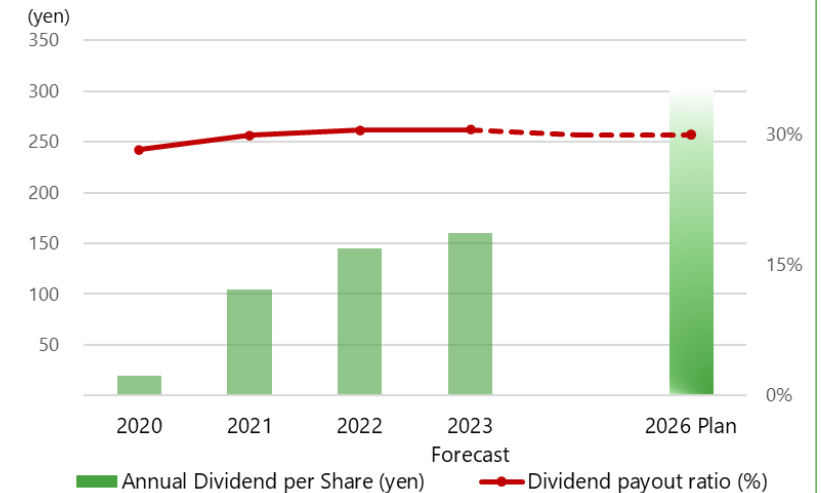
ROE over 10%

Target level achieved if it wasn't for COVID-19 impact



Dividend payout ratio 30%

Maintained 30% level since listing, even during COVID-19



Foreign Exchange Risk

- Hedge the real impact on our business by using exchange marry^(*) in transactions between group companies trilateral trades
- The ratio of sourcing products from Japan for the overseas AFB business will be maintained at approximately 15% (same as the present)

(*) Offsetting impact caused by foreign exchange fluctuation by tying together selling and buying foreign exchange position. The impact on profits is minimal.

Interest Rate Risk

Understanding the interest rate trends and their impact on interest payments, and implementing optimal funding strategies (implementing a financial policy that is less susceptible to changes in the financial environment)

Geopolitical/ Climate Change Risks

Avoid regional concentration of suppliers and mitigate risks of regional conflicts and climate change by diversifying sources for the same product (already implemented for multiple key products)

Looking ahead to 2035

Become a world-renowned global food solution company

Sales to exceed 2 trillion yen

Mid-term Business Plan 26
(2024–2026)

Sales:
500 billion yen
Operating income:
25 billion yen

Sales:
304 billion yen
Operating income:
12 billion yen

Become a global food SPA

Become a global food solution company

4) Generate foundation for medical food ^(*) business area

- Development and provision of food that is equally delicious for everyone
- Commercialization through industry-academia collaboration and IP (intellectual property)

3) Growth through new business creation

- Create solution businesses utilizing new technologies such as digital and food tech (10 businesses in three years)

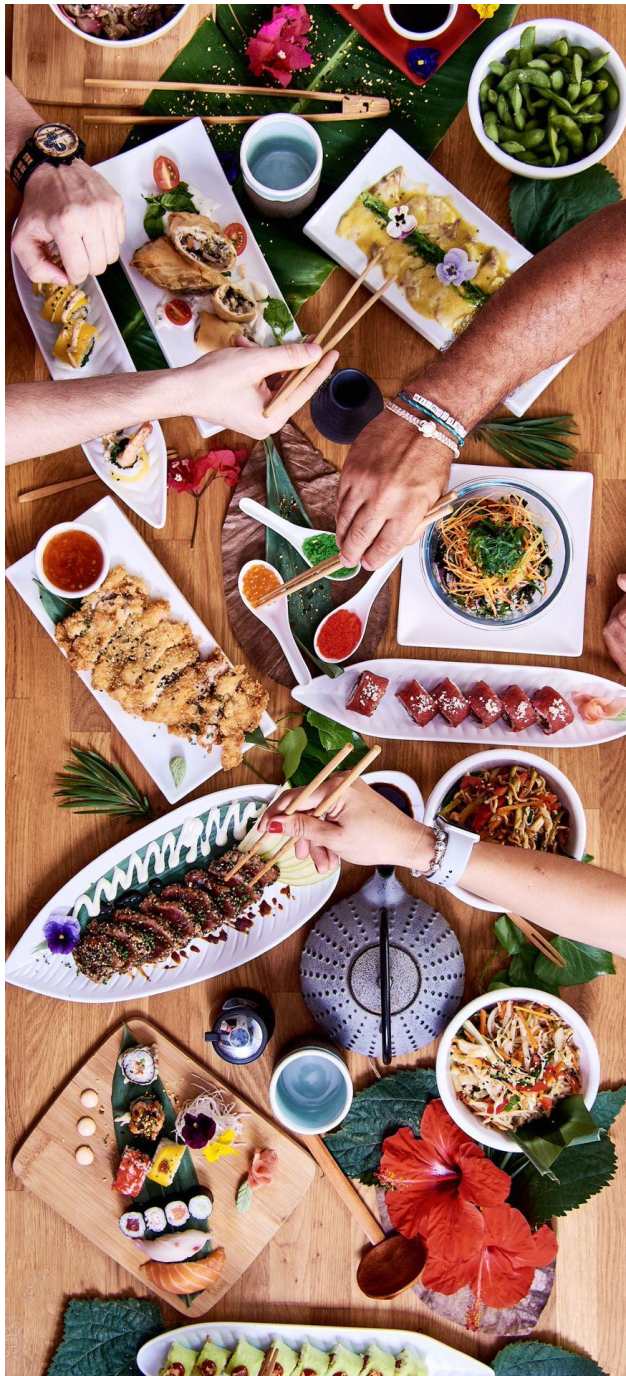
2) Promote global expansion of fruit and vegetable business

- Cultivation of overseas production of Japanese fruits and vegetables utilizing intellectual property rights and overseas sales business as a new earnings pillar
- Diversify and stabilize the earnings structure of the fruit and vegetable wholesale business

1) Accelerate quantitative and qualitative growth in the existing businesses

- Develop new markets and sales channels by strengthening sales and product development capabilities
- Increase gross profit margin by expanding PB and reducing distribution costs
- Reduce cost ratio by strengthening SCM in addition to digitization and AI of sales and import/export operations
- Expansion of business scale through M&A, etc., utilizing ample equity capital as well as cash and deposits

(*) Foods designed to meet special nutritional requirements related to medical reasons

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5. (Reference) Medium-Term Business Plan (Excerpts)
6. **(Reference) Wismettac Group Profile**

Founded in 1912, Nishimoto Wismettac has grown into a global company supplying food ingredients and food products to markets worldwide.

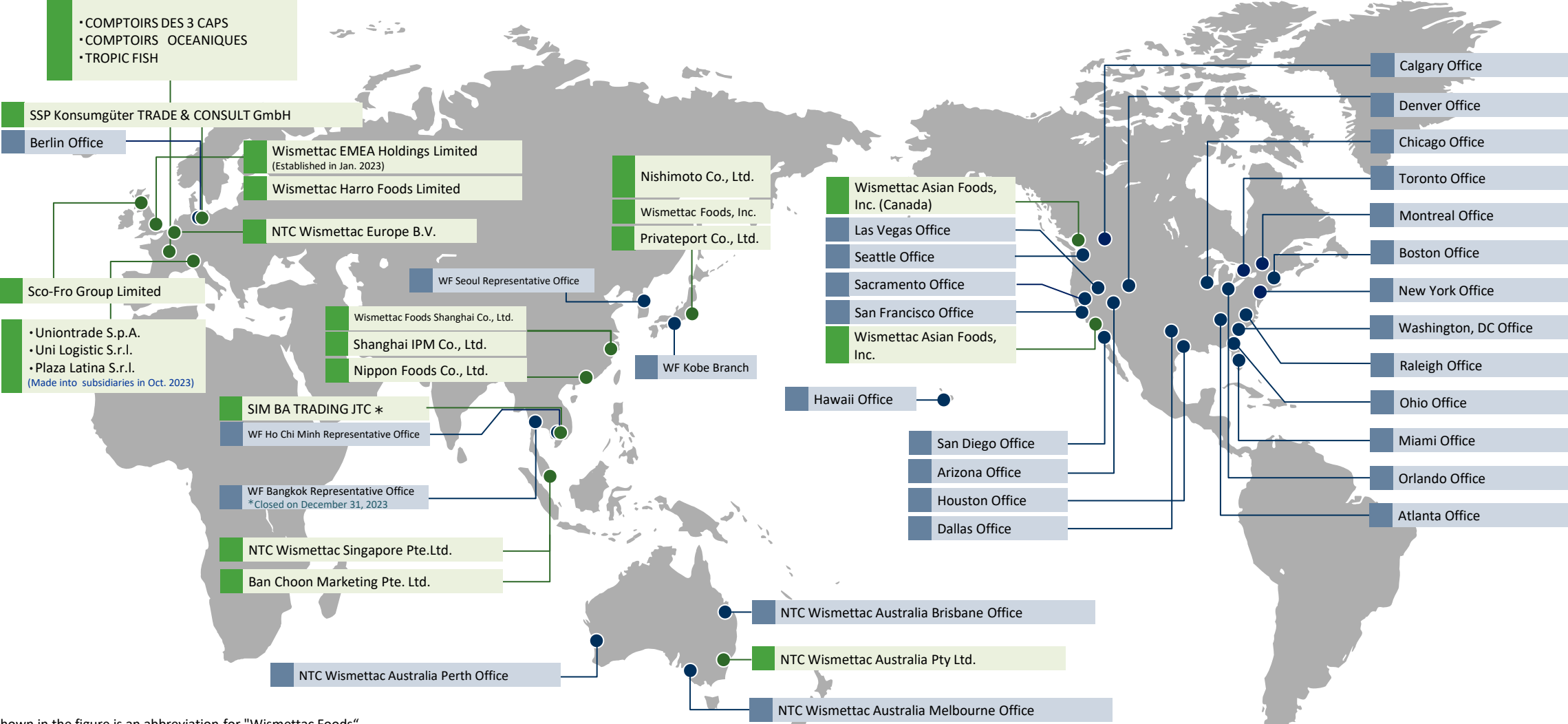
Company name	Nishimoto Co., Ltd. (TSE Prime 9260)	
Head office	15th Floor, Nihonbashi Muromachi Mitsui Tower, 3-2-1, Nihonbashi Muromachi, Chuo-ku, Tokyo	
Established	May 1912	
Representative directors	Yoshiro Susaki, Chairman & CEO	
Number of employees	2,176 (including 1,656 in the Asian Food Global Business) [As of December 31, 2023]	
Business	<ul style="list-style-type: none"> ◆ Development and sales of Asian food worldwide ◆ Imports and sales of fruit, vegetables and related processed products, and supply of food ingredients to food manufacturers and the restaurant sector ◆ Other domestic sales activities (amenity products, supplements, medical food, etc.) 	
Subsidiaries and affiliates	24 subsidiaries, 1 affiliate [As of December 31, 2023]	
Business sites	46 worldwide (including 24 in North America) Locations in Japan, the U.S., Canada, Singapore, Australia, Netherlands, U.K., Germany, France, Italy, China, Hong Kong, Thailand*, Vietnam and South Korea	
Consolidated net sales	300.8 billion yen (FY ended December 2023)	*Overseas sales ratio 79.6%
Consolidated ordinary income	12.5 billion yen (FY ended December 2023)	
Shareholders' equity ratio	38% (FY ended December 2023)	

*Closed on December 31, 2023

Wismettac Group in Japan and Abroad



◆ The Company Group maintains 46 locations around the world in North America, Europe, Australia, and Asia and is developing business globally. Among these, North America (the US and Canada) has 24 locations, which account for the majority of sales.



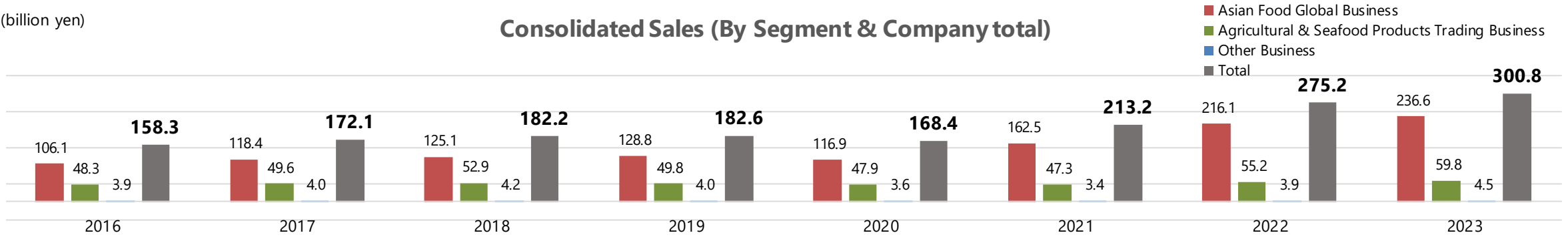
"WF" shown in the figure is an abbreviation for "Wismettac Foods"
 * The equity-method affiliate

Wismettac Group Growth Milestones - Key Figures -



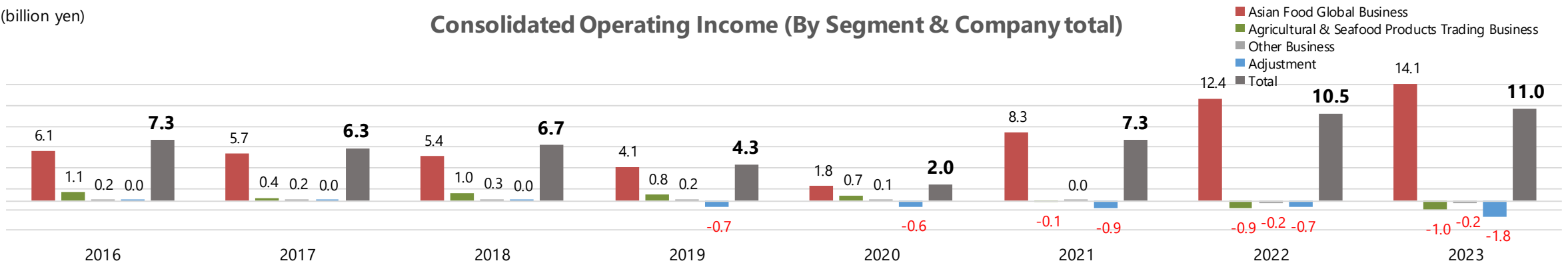
(billion yen)

Consolidated Sales (By Segment & Company total)



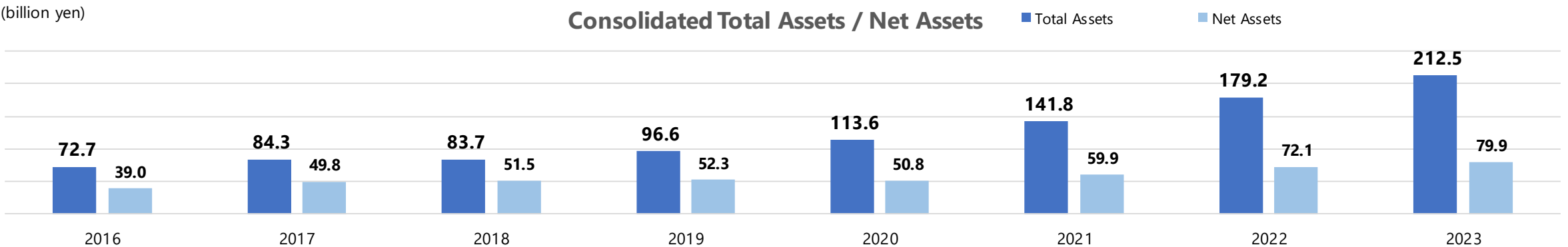
(billion yen)

Consolidated Operating Income (By Segment & Company total)



(billion yen)

Consolidated Total Assets / Net Assets



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