



**Consolidated Financial Results for the Fiscal Year Ended December 31, 2021**  
(Japanese GAAP)

February 14, 2022

Company name: Nishimoto Co., Ltd. Listed exchange: Tokyo  
 Code: 9260 URL: <https://www.wismettac.com/>  
 Representative: Yoshiro Susaki, Chairman & President CEO  
 Contact: Yuji Sasa, Director/CFO (Phone) 03-6870-2015  
 Scheduled date of the Annual General Meeting of Shareholders: March 30, 2022  
 Scheduled date of commencement of dividend payments: March 16, 2022  
 Scheduled date of submission of the annual securities report: March 31, 2022  
 Preparation of supplementary materials for financial results: Yes  
 Holding of financial results presentation meeting: Yes (For institutional investors and analysts)  
 (Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the fiscal year ended December 31, 2021  
(from January 1, 2021 to December 31, 2021)

(1) Consolidated results of operations (Percentages denote year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY ended December 31, 2021	213,248	26.6	7,301	268.3	7,204	320.0	5,028	394.8
FY ended December 31, 2020	168,449	(7.8)	1,982	(54.4)	1,715	(62.2)	1,016	(59.2)

(Note) Comprehensive income

FY ended December 31, 2021: 9,809 million yen (-%)

FY ended December 31, 2020: (1,063) million yen (-%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY ended December 31, 2021	350.34	349.90	9.2	5.6	3.4
FY ended December 31, 2020	70.80	—	2.0	1.6	1.2

(Reference) Equity in earnings of affiliates

FY ended December 31, 2021: (8) million yen

FY ended December 31, 2020: (3) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY ended December 31, 2021	141,769	59,862	41.9	4,141.34
FY ended December 31, 2020	113,606	50,842	44.4	3,515.28

(Reference) Shareholders' equity

FY ended December 31, 2021: 59,440 million yen

FY ended December 31, 2020: 50,454 million yen

(3) Status of consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	Million yen	Million yen	Million yen	Million yen
FY ended December 31, 2021	2,172	(304)	9,747	65,647
FY ended December 31, 2020	10,490	(9,002)	12,085	50,941

2. Dividends

	Annual dividends					Total amount of dividends (Total)	Payout ratio (Consolidated)	Dividends on net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY ended December 31, 2020	—	0.00	—	20.00	20.00	287	28.2	0.6
FY ended December 31, 2021	—	35.00	—	70.00	105.00	1,507	30.0	2.7
FY ending December 31, 2022 (Forecast)	—	35.00	—	35.00	70.00		30.4	

3. Consolidated financial results forecast for the fiscal year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

(Percentages denote year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half of FY ending December 31, 2022	120,000	20.1	2,800	(14.5)	2,600	(22.0)	1,900	(26.6)	132.38
FY ending December 31, 2022	240,000	12.5	5,000	(31.5)	4,700	(34.8)	3,300	(34.4)	229.92

\* Notes

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in changes in the scope of consolidation): None

New – companies (Company name) / Excluded – companies (Company name)

(2) Changes in accounting policies, changes to accounting estimates, and restatements

(i) Changes in accounting policies due to revisions of accounting standards: None

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(3) Number of shares outstanding (common stock)

(i) Number of shares outstanding at the end of the period (including treasury shares)

December 31, 2021	14,353,140 shares	December 31, 2020	14,353,140 shares
December 31, 2021	153 shares	December 31, 2020	112 shares
December 31, 2021	14,352,991 shares	December 31, 2020	14,353,028 shares

(ii) Number of treasury shares at the end of the period

(iii) Average number of shares during the period

(Reference) Overview of respective financial results

1. Respective financial results for the period ended December 31, 2021 (from January 1, 2021 to December 31, 2021)

(1) Respective operating results

(Percentages denote year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY ended December 31, 2021	3,210	1.9	1,152	(18.9)	1,219	6.9	1,159	53.6
FY ended December 31, 2020	3,149	(2.0)	1,420	2.0	1,141	(18.5)	754	(45.4)

  

	Net income per share	Diluted net income per share
	Yen	Yen
FY ended December 31, 2021	80.81	80.71
FY ended December 31, 2020	52.60	—

(2) Respective financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY ended December 31, 2021	50,193	13,237	26.4	922.28
FY ended December 31, 2020	39,570	12,859	32.5	895.96

(Reference) Shareholders' equity

FY ended December 31, 2021: 13,237 million yen

FY ended December 31, 2020: 12,859 million yen

\* These financial results are not audited by certified public accountants or an audit corporation.

\* Explanation of the proper use of financial results forecasts and other notes

(Notes on forward-looking statements)

The forward-looking statements such as financial results forecasts contained in this document are based on information currently available to the Company and certain reasonable assumptions. Thus, these statements are not intended for management to promise the achievement of the forecast. Actual financial results may differ materially due to various factors. For conditions of the assumptions in the forecast and notes to use of the forecast, please see the section titled "(4) Future forecasts" under the chapter titled "1. Overview of operating results, etc." on the page 5 of the attachment.

(How to obtain supplementary explanatory materials for the financial results)

On Monday, February 14, 2022, supplementary explanatory materials for the financial results will be disclosed via TDnet and posted on the Company's website. On Wednesday, February 16, 2022, based on these materials, a meeting will be held to brief institutional investors and analysts on the financial results.

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## 1. Overview of operating results, etc.

### (1) Overview of operating results for the current period

[Overview of the current consolidated fiscal year]

During the current consolidated fiscal year, the world economy was hit by another pandemic caused by a new coronavirus variant, but the number of infected people and its rippling impact moved away from their peak and the global economy was on a path to recovery as a whole. However, due to the inequality in the supply of vaccine, the gap and the division between developed countries and developing countries deepened further. Even in developed countries where vaccination is proceeding faster, waves of infection subsided and resurged repeatedly. Furthermore, while demand growth associated with deregulation is accelerating, supply recovery is lagging due to logistical disruptions, and inflation is progressing rapidly in the U.S. and some emerging market countries, making economic recovery still accompanied by uncertainty.

Under such circumstances, the Company Group reacknowledged its mission as a food distributor and has been making efforts to steadily supply delicious and safe food products to customers and general consumers all over the world, while ensuring employee health and safety. At the same time, the Group has been working to recover and stabilize businesses impacted by the COVID-19 pandemic.

The main businesses of the Company Group are: the Asian Food Global Business that distributes food products and ingredients from Asian countries, including Japan, to countries and regions such as North America, Europe, Asia, and Oceania; the Agricultural & Seafood Products Trading Business that distributes overseas agricultural and seafood products (mainly fresh fruits and vegetables) in domestic markets and exports Japanese fresh fruits and vegetables to overseas markets; and offshore trading. Also, the Company Group engages in business that distributes foreign brand foods, character and seasonal goods planned and developed by the Company Group to imported food stores, daily sundry shops, etc. in Japan, and in business that develops and distributes natural supplements.

As for the Asian Food Global Business, the Company Group has continued to work on a business structural reform to achieve sustainable and stable incomes from the North American region as its major sales destination. Also, as one of its growth strategies, the Company Group has been promoting the expansion of its business platform in regions outside of North America using methods such as M&A.

As for the Agricultural & Seafood Products Trading Business, the Company Group has focused on expanding sales of imported agricultural and seafood products to the domestic wholesale market, mass retailers, and restaurant chains as the three major sales destinations. The Company Group is also actively working on the expansion of overseas distribution routes, including export of domestic fruits and vegetables, sales expansion in the Chinese market through offshore trading, in addition to its overseas procurement capabilities developed so far.

As a result, with respect to the financial results for the current consolidated fiscal year, net sales stood at 213,248 million yen (26.6% increase year-on-year), operating income amounted to 7,301 million yen (268.3% increase year-on-year), ordinary income amounted to 7,204 million yen (320.0% increase year-on-year) and profit attributable to owners of parent totaled 5,028 million yen (394.8% increase year-on-year).

Financial results by segment are as follows. It is noted that net sales of segments are net sales to external customers.

[Overview of financial results by segment]

#### (i) Asian Food Global Business

In regard to financial results of the Asian Food Global Business for the current consolidated fiscal year, net sales stood at 162,457 million yen (39.0% increase year-on-year) and operating income amounted to 8,257 million yen (356.7% increase year-on-year).

In terms of sales, although sales to restaurants declined significantly in the previous fiscal year due to lockdowns and other restrictions following the spread of COVID-19 infection, overall sales recovered steadily in the current fiscal year despite lingering effects in some areas, resulting in a significant increase in sales.

In terms of profits, although the Company recognized a provision of allowance for doubtful accounts and a valuation loss on inventories in the previous fiscal year, in addition to the decrease in profits caused by the significant decrease in sales in the first half of the fiscal year, the Company posted a significant increase in profit in the current fiscal year due to the implementation of various measures for the recovery of profit, and a reversal of valuation loss on inventories and a provision of allowance for doubtful accounts, in addition to the increase in profits caused by the increase in sales. Specific measures to restore profitability include expansion of products for delivery and take-out services and grocery stores, early price adjustment in anticipation of increases in costs, such as raw material, ocean freight, and labor costs, and reduction of SG&A expenses.

In the North America region, the Company's main market, sales to restaurants have recovered beyond initial expectations partly due to deregulation associated with progress in vaccinations and a rebound in consumer demand, resulting in growth above the level of FY 2019, which is the period before the negative impact of the spread of COVID-19 was recognized. Sales to grocery stores had grown on the back of the rising trend for home-meal replacements and home meals and underpinned the Company's performance since the onset of the COVID-19 pandemic as they deal in products for home consumption, and has remained strong even after the recovery of sales to restaurants.

As for regions other than North America, Europe is progressing relatively quickly with vaccinations and is showing a steady recovery in general, although there are differences with each country. On the other hand, in the Asia and Oceania regions, despite the relatively successful border measures, etc. in the past, our performance was significantly affected particularly in sales to restaurants in certain countries and regions where the rapid spread of infections led to the intermittent implementation of lockdowns and other measures. As restrictions were subsequently relaxed based on vaccination rate, both sales and profits recovered rapidly, resulting in strong full-year performance.

(ii) Agricultural & Seafood Products Trading Business

With respect to financial results of the Agricultural & Seafood Products Trading Business for the current consolidated fiscal year, net sales stood at 47,085 million yen (1.8% decrease year-on-year) and operating losses amounted to 111 million yen (an operating income of 683 million yen for the previous fiscal year).

In the first half of the current fiscal year, sales were supported by some positive factors, such as special demand for Taiwanese pineapples and the beneficial effect of rising prices due to inventory adjustment amid a nationwide supply shortage. However, in the second half of the year, demand for mainstay imported fruits and vegetables was sluggish due to the prolonged state of emergency declaration, combined with the competition with low-priced domestic products. The recovery in demand in the restaurant and other industries has been delayed even after the relaxation in the fourth quarter of restrictions on business operations including those on opening hours. As a result, sales decreased from the previous fiscal year.

In terms of profits, even though it was difficult to secure profits in the previous fiscal year due to excessive inventory caused by weak sales and sluggish prices, profits decreased in the current fiscal year due to a loss in the third quarter, which is the high season along with the second quarter. In addition to poor quality in the production area, the main reason for the loss in the third quarter was that delays in the schedule of entering the ports due to the global logistics turmoil caused a backlog of inventory and a significant collapse in the market. Moreover, amid the difficulty in inventory control based on supply and demand forecasts due to rising purchase costs in the weaker yen environment and logistics disruption, sales measures prioritizing inventory turnover caused a decline in profits.

(iii) Other businesses

As to financial results of other businesses for the current consolidated fiscal year, net sales stood at 3,704 million yen (1.6% increase year-on-year) and operating income amounted to 41 million yen (69.2% decrease year-on-year).

During the Valentine's Day and White Day sales season, the highest sales season in the first half of the year, although the Company secured profit by reducing purchases according to the plan and SG&A expenses, sales in the second and third quarters decreased due to the continued impact on retailers, our major customers, including shortened business hours, in April and onward by the intermittent declaration of a state of emergency, combined with a shortage of goods due to logistics stagnation. Imported goods, the arrival of which had been delayed, were delivered in order in the fourth quarter, and event product sales in the Halloween and Christmas seasons were strong, contributing to the recovery of sales. Although full-year sales increased, profits declined from the previous fiscal year.

In order to incorporate the global diversification of needs for food as growth fields, the Company Group advances efforts in new fields where the food field intersects with other fields, such as healthcare, ecosystem, new lifestyle, and food informatics. As new businesses in these efforts, we have started the provision of food for gastrectomized patients (food × healthcare) and launched the "home-meal replacement live kitchen business" (food × new lifestyle) aimed to support home-meal replacement businesses of reputable upscale restaurants.

(2) Overview of financial position for the current period

(Assets)

Total assets as of December 31, 2021 stood at 141,769 million yen, an increase of 28,162 million yen compared to December 31, 2020, and was mainly attributable to the following.

Total current assets as of December 31, 2021 amounted to 124,737 million yen, an increase of 26,616 million yen compared to December 31, 2020. The increase in total current assets was due to an increase of 12,929 million yen in cash

and deposits, an increase of 9,274 million yen in inventories, and an increase of 3,944 million yen in notes and accounts receivable—trade.

Total non-current assets as of December 31, 2021 came to 17,032 million yen, an increase of 1,546 million yen compared to December 31, 2020. The increase in total non-current assets, despite a decrease of 318 million yen in property, plant and equipment – other, net including construction in progress, was due to an increase of 674 million yen in leased assets, net, an increase of 538 million yen in customer-related assets, and an increase of 501 million yen in buildings and structures, net.

(Liabilities)

Total liabilities as of December 31, 2021 stood at 81,906 million yen, an increase of 19,142 million yen compared to December 31, 2020, and was mainly attributable to the following.

Total current liabilities as of December 31, 2021 amounted to 36,693 million yen, an increase of 15,199 million yen compared to December 31, 2020. The increase in current liabilities was due to an increase of 8,849 million yen in current portion of long-term loans payable, an increase of 4,338 million yen in notes and accounts payable—trade, an increase of 902 million yen in accounts payable—other, and an increase of 621 million yen in other current liabilities, including accrued expenses.

Total non-current liabilities as of December 31, 2021 amounted to 45,213 million yen, an increase of 3,943 million yen compared to December 31, 2020. The increase in non-current liabilities, despite a decrease of 1,599 million yen in net defined benefit liability, was due to an increase of 3,747 million yen in long-term loans payable and an increase of 1,450 million yen in other non-current liabilities, including long-term accounts payable.

(Net assets)

Total net assets as of December 31, 2021 amounted to 59,862 million yen, an increase of 9,019 million yen compared to December 31, 2020. The increase in total net assets is mainly due to an increase of 4,712 million yen in foreign currency translation adjustment and an increase of 4,238 million yen in retained earnings.

(3) Overview of cash flows for the current period

Cash and cash equivalents (hereinafter referred to as "funds") as of December 31, 2021 amounted to 65,647 million yen, an increase of 14,706 million yen compared to December 31, 2020.

The status of respective cash flows for the current consolidated fiscal year and its main factors are as follows:

(Cash flows from operating activities)

Cash flows from operating activities were positive at 2,172 million yen and major factors are as follows. This was mainly attributable to 7,343 million yen in profit before income taxes, an increase of 3,350 million yen in notes and accounts payable—trade, 2,185 million yen in depreciation and amortization as a non-cash expense, despite an increase of 6,699 million yen in inventories, income taxes paid of 2,457 million yen, and an increase of 2,306 million yen in notes and accounts receivable—trade.

The amount of funds obtained decreased by 8,317 million yen compared to the previous consolidated fiscal year (79.3% decrease year-on-year), which was mainly due to an increase of 10,055 million yen in cash outflows from inventories, an increase of 4,913 million yen in cash outflows from notes and accounts receivable—trade, and an increase of 2,396 million yen in cash outflows from net defined benefit liability, despite an increase of 5,111 million yen in profit before income taxes and an increase of 3,498 million yen in cash inflows from notes and accounts payable—trade.

(Cash flows from investing activities)

Cash flows from investing activities were negative at 304 million yen and major factors are as follows. This was mainly attributable to a cash outflow of 1,169 million yen from the purchase of shares of subsidiaries resulting in change in scope of consolidation, a cash outflow of 574 million yen from the purchase of property, plant and equipment, and a cash outflow of 384 million yen from the purchase of intangible assets, despite a cash inflow of 1,793 million yen from income due to a net change in time deposits.

The amount of funds spent decreased by 8,697 million yen (96.6% decrease year-on-year) compared to the previous consolidated fiscal year. Major factors included a decrease of 5,092 million yen in expenditures for the purchase of shares of subsidiaries resulting in change in scope of consolidation and an increase of 3,281 million yen in cash inflow due to a net change in time deposits.

## (Cash flows from financing activities)

Cash flows from financial activities were positive at 9,747 million yen. This was mainly attributable to a cash inflow of 11,262 million yen from proceeds from long-term borrowings, despite a cash outflow of 790 million yen for cash dividends paid and a cash outflow of 628 million yen from repayments of long-term borrowings.

The amount of funds obtained decreased by 2,338 million yen (19.3% decrease year-on-year) compared to the previous consolidated fiscal year. Major factors included a decrease of 2,844 million yen in proceeds from long-term borrowings, and a decrease of 219 million yen in cash inflow due to a net change in short-term loans payable, despite a decrease of 823 million yen in expenditures due to repayments of long-term loans payable.

## (4) Future forecasts

(Millions of yen)				
	FY ended December 31, 2021 (Actual)	FY ending December 31, 2022 (Forecast)	Increase (decrease)	Increase (decrease) rate
Net sales	213,248	240,000	26,751	12.5
Operating income	7,301	5,000	(2,301)	(31.5)
Ordinary income	7,204	4,700	(2,504)	(34.8)
Profit attributable to owners of parent	5,028	3,300	(1,728)	(34.4)

In the current consolidated fiscal year, the Company achieved higher net sales than initially expected as a result of a major recovery particularly in sales to restaurants, supported in part by a rebound in consumption demand in response to the trend of relaxation of restrictions as a result of the progress of vaccination and other improvements, despite the lingering effect of the resurgence of infection cases due to COVID-19 variants. While a highly uncertain business environment is expected to continue during the process leading to the end of the pandemic, global economic activities are expected to recover steadily going forward. In this environment, the Company will aim to achieve steady growth by working to further expand its business foundation, including the development of new sales channels and the start-up of businesses in new business domains.

Meanwhile, the impact of increases in raw material, ocean freight, personnel, and other expenses on current profits is becoming increasingly evident on the back of global logistics disruption. In the future, during the process leading to the stabilization of logistics and the normalization of the supply-demand balance, events that may become pressures on profits are expected to occur in terms of both gross profit and expenses, including the price adjustment phase reflecting the competitive situation with other companies. As for rises in procurement cost, we predict that their impact on profit levels will be inevitable to some extent because despite our efforts to secure profits through appropriate price adjustments and other measures, it will be difficult for price adjustments alone to completely absorb the effect of upward pressure on costs, which is expected to be stronger going forward.

In addition, as the surge in logistics-related expenses particularly in personnel expenses in North America is expected to become a factor to apply pressure on medium- to long-term profits, the need for aggressive investments in the improvement of warehouse operations and logistics systems, the promotion of labor saving, etc., is rising. In addition to the investments to realize the transformation of business models and to capture growth opportunities, the Company will actively continue the investments to strengthen the existing business foundation.

Accordingly, we expect that net sales will stand at 240,000 million yen (an increase of 26,751 million yen year-on-year), operating income will amount to 5,000 million yen (a decrease of 2,301 million yen year-on-year), ordinary income will amount to 4,700 million yen (a decrease of 2,504 million yen year-on-year), and profit attributable to owners of parent will total 3,300 million yen (a decrease of 1,728 million yen year-on-year).

[Prerequisites for the forecast]

The exchange rate is assumed to be 110 yen/U.S. dollar.

## 2. Basic approach on selection of accounting standards

The Company Group prepares the consolidated financial statements in accordance with Japanese Generally Accepted Accounting Principles ("Japanese GAAP"), taking into consideration the workload for establishing the system for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).



## 3. Consolidated financial statements and major notes

## (1) Consolidated balance sheet

(Millions of yen)

	FY 2020 (As of December 31, 2020)	FY 2021 (As of December 31, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	52,718	65,647
Notes and accounts receivable—trade	18,510	22,454
Inventories	25,223	34,497
Other	2,196	2,539
Allowance for doubtful accounts	(527)	(402)
Total current assets	98,121	124,737
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,408	2,909
Machinery, equipment and vehicles, net	458	421
Tools, furniture and fixtures, net	407	357
Leased assets, net	779	1,453
Other, net	520	201
Total property, plant and equipment	4,573	5,344
Intangible assets		
Goodwill	4,187	4,096
Software	330	290
Software in progress	438	790
Customer-related assets	3,877	4,415
Other	57	51
Total intangible assets	8,891	9,644
Investments and other assets		
Investment securities	288	262
Guarantee deposits	843	893
Deferred tax assets	791	746
Other	161	148
Allowance for doubtful accounts	(63)	(7)
Total investments and other assets	2,020	2,043
Total non-current assets	15,485	17,032
Total assets	113,606	141,769

(Millions of yen)

	FY 2020 (As of December 31, 2020)	FY 2021 (As of December 31, 2021)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable—trade	10,930	15,269
Short-term loans payable	3,513	3,395
Current portion of long-term loans payable	371	9,221
Lease obligations	290	386
Accounts payable—other	2,445	3,347
Income taxes payable	383	363
Provision for bonuses	823	1,279
Provision for directors' bonuses	88	157
Provision for shareholders' benefits	11	15
Other	2,635	3,256
<b>Total current liabilities</b>	<b>21,493</b>	<b>36,693</b>
Non-current liabilities		
Long-term loans payable	36,267	40,015
Lease obligations	486	1,115
Deferred tax liabilities	1,059	1,209
Provision for bonuses	35	135
Provision for share-based remuneration	—	111
Provision for directors' retirement benefits	645	—
Net defined benefit liability	1,731	131
Other	1,043	2,494
<b>Total non-current liabilities</b>	<b>41,270</b>	<b>45,213</b>
<b>Total liabilities</b>	<b>62,763</b>	<b>81,906</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,646	2,646
Capital surplus	6,531	6,531
Retained earnings	43,339	47,578
Treasury shares	(0)	(0)
<b>Total shareholders' equity</b>	<b>52,517</b>	<b>56,755</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1	8
Deferred gains or losses on hedges	0	9
Foreign currency translation adjustment	(2,045)	2,666
Remeasurements of defined benefit plans	(18)	—
<b>Total accumulated other comprehensive income</b>	<b>(2,062)</b>	<b>2,684</b>
Non-controlling interests	387	422
<b>Total net assets</b>	<b>50,842</b>	<b>59,862</b>
<b>Total liabilities and net assets</b>	<b>113,606</b>	<b>141,769</b>

## (2) Consolidated statements of income and comprehensive income

## Consolidated statement of income

(Millions of yen)

	FY 2020 (January 1, 2020 to December 31, 2020)	FY 2021 (January 1, 2021 to December 31, 2021)
Net sales	168,449	213,248
Cost of sales	139,017	172,210
Gross profit	29,431	41,037
Selling, general and administrative expenses	27,448	33,736
Operating income	1,982	7,301
Non-operating income		
Interest and dividend income	75	56
Foreign exchange gains	–	195
Insurance benefits received	37	3
Reversal of allowance for doubtful accounts	6	2
Other	44	55
Total non-operating income	164	314
Non-operating expenses		
Interest expenses	217	373
Loss on equity-method investments	3	8
Foreign exchange losses	180	–
Provision of allowance for doubtful accounts	–	4
Other	30	24
Total non-operating expenses	431	411
Ordinary income	1,715	7,204
Extraordinary income		
Gain on sales of non-current assets	0	4
Gain on step acquisitions	778	–
Gain on revision of retirement benefit plan	–	174
Total extraordinary income	778	179
Extraordinary losses		
Loss on retirement of non-current assets	3	18
Impairment loss	199	22
Loss on revision of retirement benefit plan	59	–
Total extraordinary losses	261	40
Profit before income taxes	2,231	7,343
Income taxes—current	1,040	2,262
Income taxes—deferred	162	29
Total income taxes	1,203	2,292
Net income	1,027	5,051
Profit attributable to non-controlling interests	11	23
Profit attributable to owners of parent	1,016	5,028

## Consolidated statement of comprehensive income

(Millions of yen)

	FY 2020 (January 1, 2020 to December 31, 2020)	FY 2021 (January 1, 2021 to December 31, 2021)
Net income	1,027	5,051
Other comprehensive income		
Valuation difference on available-for-sale securities	(6)	6
Deferred gains or losses on hedges	(6)	9
Foreign currency translation adjustment	(2,041)	4,697
Remeasurements of defined benefit plans	(18)	18
Share of other comprehensive income of entities accounted for using equity method	(18)	25
Total other comprehensive income	(2,091)	4,757
Comprehensive income	(1,063)	9,809
(Breakdown)		
Comprehensive income attributable to owners of parent	(1,092)	9,775
Comprehensive income attributable to non-controlling interests	29	34

## (3) Consolidated statement of changes in equity

Previous consolidated fiscal year (from January 1, 2020 to December 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	2,646	6,531	43,112	(0)	52,290
Changes during the period					
Dividends of surplus			(789)		(789)
Profit attributable to owners of parent			1,016		1,016
Changes in items other than shareholders' equity, net					
Total changes during the period	-	-	226	-	226
Ending balance	2,646	6,531	43,339	(0)	52,517

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance	8	6	31	0	46	-	52,337
Changes during the period							
Dividends of surplus							(789)
Profit attributable to owners of parent							1,016
Changes in items other than shareholders' equity, net	(6)	(6)	(2,077)	(18)	(2,108)	387	(1,720)
Total changes during the period	(6)	(6)	(2,077)	(18)	(2,108)	387	(1,494)
Ending balance	1	0	(2,045)	(18)	(2,062)	387	50,842

Current consolidated fiscal year (from January 1, 2021 to December 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance	2,646	6,531	43,339	(0)	52,517
Changes during the period					
Dividends of surplus			(789)		(789)
Profit attributable to owners of parent			5,028		5,028
Purchase of treasury shares				(0)	(0)
Sales of shares of consolidated subsidiaries		0			0
Changes in items other than shareholders' equity, net					
Total changes during the period	-	0	4,238	(0)	4,238
Ending balance	2,646	6,531	47,578	(0)	56,755

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance	1	0	(2,045)	(18)	(2,062)	387	50,842
Changes during the period							
Dividends of surplus							(789)
Profit attributable to owners of parent							5,028
Purchase of treasury shares							(0)
Sales of shares of consolidated subsidiaries							0
Changes in items other than shareholders' equity, net	6	9	4,712	18	4,746	34	4,780
Total changes during the period	6	9	4,712	18	4,746	34	9,019
Ending balance	8	9	2,666	-	2,684	422	59,862

## (4) Consolidated statement of cash flows

(Millions of yen)

	FY 2020 (January 1, 2020 to December 31, 2020)	FY 2021 (January 1, 2021 to December 31, 2021)
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,231	7,343
Depreciation and amortization	1,749	2,185
Loss (gain) on step acquisitions	(778)	–
Gain on revision of retirement benefit plan	–	(174)
Impairment loss	199	22
Increase (decrease) in allowance for doubtful accounts	211	(160)
Interest and dividend income	(75)	(56)
Interest expenses	217	373
Share of (profit) loss of entities accounted for using equity method	3	8
Foreign exchange losses (gains)	11	(7)
Decrease (increase) in notes and accounts receivable—trade	2,606	(2,306)
Decrease (increase) in inventories	3,355	(6,699)
Increase (decrease) in notes and accounts payable—trade	(147)	3,350
Increase (decrease) in accounts payable—other	(117)	674
Increase (decrease) in provision for bonuses	232	476
Increase (decrease) in provision for directors' bonuses	(117)	60
Increase (decrease) in provision for shareholder benefit program	3	3
Increase (decrease) in provision for share-based payments	–	111
Increase (decrease) in net defined benefit liability	168	(2,227)
Other	956	1,960
Subtotal	10,711	4,938
Interest and dividend income received	124	41
Interest expenses paid	(191)	(360)
Income taxes paid	(611)	(2,457)
Income taxes refunded	456	10
<b>Cash flows from operating activities</b>	<b>10,490</b>	<b>2,172</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(589)	(574)
Purchase of intangible assets	(473)	(384)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(6,262)	(1,169)
Purchase of shares of affiliates	(221)	–
Expenditures due to payment for guarantee deposits	(32)	(85)
Proceeds from refunds of guarantee deposits	77	16
Net decrease (increase) in time deposits	(1,488)	1,793
Other	(11)	99
<b>Cash flows from investing activities</b>	<b>(9,002)</b>	<b>(304)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	490	271
Proceeds from long-term borrowings	14,106	11,262
Repayments of long-term borrowings	(1,452)	(628)
Purchase of treasury shares	–	(0)
Repayments of finance lease obligations	(270)	(367)
Cash dividends paid	(789)	(790)
Other	(0)	–
<b>Cash flows from financing activities</b>	<b>12,085</b>	<b>9,747</b>
Effect of exchange rate change on cash and cash equivalents	(1,476)	3,091
Net increase (decrease) in cash and cash equivalents	12,096	14,706
Cash and cash equivalents at beginning of period	38,844	50,941
Cash and cash equivalents at end of period	50,941	65,647

**(5) Notes to the consolidated financial statements**

(Notes to assumption of going concern)

No relevant items.

(Additional information)

Accounting estimate associated with the novel coronavirus pandemic

The COVID-19 pandemic is having a broad-reaching impact on the economy and corporate activities, and it is difficult at this point to reasonably predict when it will end. Based on the assumption that while the impact of the pandemic will linger to some extent beyond the fiscal year ended December 31, 2021, its impact on the Company's consolidated performance will be insignificant, the Company Group has estimated the impairment of non-current assets, the recoverability of deferred tax assets, etc., based on the currently available information.

It is uncertain when COVID-19 infections will end. If the current situation changes going forward, our future financial condition and operating results may be affected.

Transfer from the lump-sum retirement benefit plan to the defined contribution pension plan

Effective as of April 2, 2021, the Company and some of its domestic consolidated subsidiaries transferred their lump-sum retirement benefit plans, with some exceptions, to defined contribution pension plans, and have adopted "Accounting for Transfer between Retirement Benefit Plans" (ASBJ Guidance No. 1 revised on December 16, 2016) and "Practical Solution on Accounting for Transfer between Retirement Benefits Plans" (ASBJ PITF No. 2 revised on February 7, 2007).

Along with this change, 174 million yen was recorded in gain on revision of retirement benefit plan under extraordinary income for the current consolidated fiscal year.

(Segment information)

## 1. Overview of reporting segments

A reporting segments of the Company Group is one of the structural units of the Company Group, in which segregated financial information is available, and is subject to review on a regular basis so that the Board of Directors could determine the allocation of management resources and evaluate the operating results.

The Company Group has a holding company structure, in which the Company is the holding company. The Company formulates the Group's business strategies and performs general management and the subsidiaries conduct business activities. The Company Group consists of business segments that are classified, in consideration of similarities in economic characteristics, etc., into one of three reportable segments: the Asian Food Global Business, the Agricultural & Seafood Products Trading Business, and the Other business.

The details of services that are included in each reporting segment are as follows:

Segment	Major products or business details
Asian Food Global Business	Wholesaling and distribution business of Asian food products and ingredients with a focus on Japanese food around the world, etc.
Agricultural & Seafood Products Trading Business	Import and wholesaling of perishable and frozen processed fruits and vegetables, marine products, etc. to wholesale markets, volume sellers, restaurants, home-meal replacement industry, food manufacturers, etc. in Japan, export of domestically produced vegetables and fruits, triangular trade, and so forth.
Other business	Original product sales business using foreign brand foods and characters, sales of supplements, catalog mail order business, etc.

## 2. Method of calculation of the amount of sales, profit or loss, assets, liabilities and other items for each reporting segment

The accounting treatment for the reported business segments is basically the same as that adopted in the preparation of the consolidated financial statements.

The profit of the reporting segment is a figure on an operating income basis. The amount of intersegment sales and transfers are based on market prices.



## 3. Information on the amount of sales, profit or loss, assets, liabilities and other items for each reporting segment

Previous consolidated fiscal year (from January 1, 2020 to December 31, 2020)

(Millions of yen)

	Reporting segment			Total	Adjustment (Note 1)	Amount recorded on the Consolidated Financial Statements (Note 2)
	Asian Food Global Business	Agricultural & Seafood Products Trading Business	Other business			
Net sales						
Sales to external customers	116,870	47,931	3,646	168,449	–	168,449
Intersegment sales or transfers	6,386	0	–	6,386	(6,386)	–
Total	123,257	47,931	3,646	174,836	(6,386)	168,449
Segment profit	1,807	683	133	2,625	(642)	1,982
Segment assets	78,053	8,463	1,544	88,061	25,545	113,606
Other items						
Depreciation	1,172	10	7	1,189	311	1,501
Investments in entities accounted for using equity method	198	–	–	198	–	198
Increase in property, plant and equipment as well as intangible assets	886	34	7	928	419	1,348

(Note) 1. Adjustments are as follows:

- (1) "Adjustment" for segment profit in the amount of (642) million yen includes (1,403) million yen for elimination of intersegment transactions and 760 million yen for company profit/loss not allotted to reporting segments (net company profits and net company expenses). Company profits consist mainly of dividend income from reporting segments, and company expenses mainly comprise general and administrative expenses not attributed to reporting segments.
  - (2) "Adjustment" for segment assets in the amount of 25,545 million yen includes 39,320 million yen for company assets not allotted to reporting segments and so forth. The company-wide assets are mainly surplus funds (cash and deposits) that are not attributable to any reporting segments.
  - (3) The depreciation adjustment of 311 million yen is mainly depreciation concerning company-wide assets.
  - (4) The adjustment of 419 million yen in relation to the increase in property, plant and equipment as well as intangible assets is the increase in non-current assets concerning the company-wide assets.
2. Segment profit is adjusted with operating income in the consolidated financial statements.

Current consolidated fiscal year (from January 1, 2021 to December 31, 2021)

(Millions of yen)

	Reporting segment			Total	Adjustments (Note 1)	Amount recorded on the Consolidated Financial Statements (Note 2)
	Asian Food Global Business	Agricultural & Seafood Products Trading Business	Other business			
Net sales						
Sales to external customers	162,457	47,085	3,704	213,248	–	213,248
Intersegment sales or transfers	5,401	1	–	5,402	(5,402)	–
Total	167,858	47,087	3,704	218,651	(5,402)	213,248
Segment profits/loss	8,257	(111)	41	8,187	(885)	7,301
Segment assets	95,433	7,613	1,840	104,887	36,882	141,769
Other items						
Depreciation	1,449	17	6	1,473	307	1,780
Investments in entities accounted for using equity method	215	–	–	215	–	215
Increase in property, plant and equipment as well as intangible assets	1,551	20	38	1,610	424	2,035

(Note) 1. Adjustments are as follows:

- (1) "Adjustment" for segment profit or loss in the amount of (885) million yen includes (1,261) million yen for elimination of intersegment transactions and 376 million yen company profit/loss not allotted to reporting segments (net company profits and net company expenses). Company profits consist mainly of consulting fee income from reporting segments, and company expenses mainly comprise general and administrative expenses not attributed to reporting segments.
  - (2) "Adjustment" for segment assets in the amount of 36,882 million yen includes 51,224 million yen for company assets not allotted to reporting segments and so forth. The company-wide assets are mainly surplus funds (cash and deposits) that are not attributable to any reporting segments.
  - (3) The depreciation adjustment of 307 million yen is mainly depreciation concerning company-wide assets.
  - (4) The adjustment of 424 million yen in relation to the increase in property, plant and equipment as well as intangible assets is the increase in non-current assets concerning the company-wide assets.
2. Segment profit or loss is adjusted with operating income in the consolidated financial statements.

[Related information]

Previous consolidated fiscal year (from January 1, 2020 to December 31, 2020)

1. Information on respective products and services

Similar information is disclosed in the "Segment information," and therefore descriptions are omitted.

2. Information for each region

(1) Net sales

(Millions of yen)

Japan	North America	Europe	Other	Total
54,193	90,719	14,794	8,741	168,449

(Note) Of North America, 79,476 million yen is for the U.S.

(2) Property, plant and equipment

(Millions of yen)

Japan	North America	Europe	Other	Total
608	1,936	1,698	329	4,573

(Note) 1. Of North America, 1,496 million yen is for the U.S.

2. "Europe" includes 898 million yen for the U.K. and 543 million yen for France.

3. Information for major customers

With respect to net sales to external customers, there are no customers that accounts for 10% or more of the net sales on the consolidated statement of income, and therefore descriptions are omitted.

Current consolidated fiscal year (from January 1, 2021 to December 31, 2021)

1. Information on respective products and services

Similar information is disclosed in the "Segment information," and therefore descriptions are omitted.

2. Information for each region

(1) Net sales

(Millions of yen)

Japan	North America	Europe	Other	Total
54,967	116,067	30,991	11,221	213,248

(Note) Of North America, 101,560 million yen is for the U.S.

(Changes in presentation methods)

Net sales of "Europe," which was included in "Other" in the previous consolidated fiscal year, is presented separately for the current consolidated fiscal year as its quantitative materiality has increased. In order to reflect this change in presentation methods, the notes for the previous consolidated fiscal year have been reclassified.

As a result, the amount previously presented in "Other" in the previous consolidated fiscal year (23,535 million yen) has been reclassified to "Europe" (14,794 million yen) and "Other" (8,741 million yen).

(2) Property, plant and equipment

(Millions of yen)

Japan	North America	Europe	Other	Total
490	2,192	1,742	918	5,344

(Note) 1. Of North America, 1,447 million yen is for the U.S. and 744 million yen is for Canada.

2. "Europe" includes 1,016 million yen for the U.K.

3. "Other" includes 688 million yen for Singapore.

(Changes in presentation methods)

Property, plant and equipment of "Europe" which was included in "Other" in the previous consolidated fiscal year, is presented separately for the current consolidated fiscal year as its quantitative materiality has increased. In order to reflect this change in presentation methods, the notes for the previous consolidated fiscal year have been reclassified.

As a result, the amount previously presented in "Other" in the previous consolidated fiscal year (2,028 million yen) has been reclassified to "Europe" (1,698 million yen) and "Other" (329 million yen).

### 3. Information for major customers

With respect to net sales to external customers, there are no customers that accounts for 10% or more of the net sales on the consolidated statement of income, and therefore descriptions are omitted.

[Information regarding impairment losses on non-current assets for each reporting segment]

Previous consolidated fiscal year (from January 1, 2020 to December 31, 2020)

(Millions of yen)

	Asian Food Global Business	Agricultural & Seafood Products Trading Business	Other business	Company-wide/ Eliminations	Total
Impairment loss	199	–	–	–	199

Current consolidated fiscal year (from January 1, 2021 to December 31, 2021)

(Millions of yen)

	Asian Food Global Business	Agricultural & Seafood Products Trading Business	Other business	Company-wide/ Eliminations	Total
Impairment loss	22	–	–	–	22

[Information on amortization of goodwill and unamortized balance for each reporting segment]

Previous consolidated fiscal year (from January 1, 2020 to December 31, 2020)

(Millions of yen)

	Asian Food Global Business	Agricultural & Seafood Products Trading Business	Other business	Company-wide/ Eliminations	Total
Amortization for the current period	247	–	–	–	247
Balance at end of current period	4,187	–	–	–	4,187

Current consolidated fiscal year (from January 1, 2021 to December 31, 2021)

(Millions of yen)

	Asian Food Global Business	Agricultural & Seafood Products Trading Business	Other business	Company-wide/ Eliminations	Total
Amortization for the current period	404	–	–	–	404
Balance at end of current period	4,096	–	–	–	4,096

[Information on gain on bargain purchase for each reporting segment]

Previous consolidated fiscal year (from January 1, 2020 to December 31, 2020)

No relevant items.

Current consolidated fiscal year (from January 1, 2021 to December 31, 2021)

No relevant items.

## (Business combinations)

## Business combination by acquisition

Wismettac Harro Foods Limited, which is a consolidated subsidiary of the Company (hereinafter referred to as "Harro Foods"), acquired 100% of shares of Interlock Investments Limited, which is located in Scotland, UK (hereinafter referred to as "Interlock") effective February 20, 2021, and Interlock was made into a consolidated subsidiary.

## (1) Outline of business combination

## (i) Name of the acquired company and its business lines

Name of the acquired company: Interlock Investments Limited

Business lines: Import and wholesale of noodles and frozen fishery products (*kanikama* (imitation crab meat), frozen *sushi*, etc.)

## (ii) Main reasons for the business combination

Harro Foods distributes Japanese food products and ingredients mainly to restaurants with a focus on the UK. This time, Harro Foods acquired 100% of shares of Interlock, which is a pure holding company of Sco-Fro Group Limited (hereinafter referred to as "Sco-Fro"), which distributes Asian food products and ingredients mainly to retailers such as supermarkets with a focus on the UK.

Sco-Fro distributes Asian food products and ingredients such as noodles and frozen fishery products (*kanikama* (imitation crab meat), frozen *sushi*, etc.) based on long-term business relationships with major leading retailers in the UK, such as ALDI, ASDA, and TESCO. Sco-Fro's business performance has been steady despite the COVID-19 pandemic. In addition to the existing business for restaurants, in the future, Harro Foods will distribute Japanese food products and ingredients provided by the Company Group, utilizing the distribution routes to major retailers, a strength of Sco-Fro.

One of the Company Group's growth strategies for the Asian Food Global Business is to "expand our business platform in regions outside of North America." As of the previous fiscal year, the Company Group had completed the grouping of business units in three key countries in Europe — namely, the UK, Germany, and France — and established a business platform in Europe for the Asian Food Global Business with a focus on Japanese foods. This time, distribution routes to retailers in the UK were added to this business platform through Sco-Fro.

## (iii) Date of business combination

February 20, 2021

## (iv) Legal form of the business combination

Through acquisition of shares for cash consideration

## (v) Name of the controlling entity after the business combination

The name remains unchanged.

## (vi) Percentage share of voting rights acquired

100%

## (vii) Main reason for deciding to acquire the company

As the Company Group acquired shares of Interlock for cash.

## (2) Period of the financial results of the acquired entity included in the consolidated financial statements

From February 1, 2021 to December 31, 2021

## (3) Acquisition cost of the acquired company and breakdown

Consideration for acquisition: Cash	1,196 million yen
Acquisition cost	1,196 million yen

## (4) Major acquisition-related costs and their amounts

Remuneration, fees, etc., to advisors: 44 million yen

## (5) Goodwill, reason for recognizing goodwill, amortization method and amortization period

## (i) The amount of goodwill that occurred

183 million yen

## (ii) The cause of occurrence

The occurrence reflects future excess earnings power that is expected to be created by future business developments and synergies between the Company Group and the acquired company.

## (iii) The amortization method and the amortization period

Straight-line amortization over 10 years

## (6) Amounts of assets and liabilities acquired on the day of the business combination and breakdown

Current assets	707 million yen
Non-current assets	94
Total assets	802
Current liabilities	410
Non-current liabilities	6
Total liabilities	416

## (7) Amounts allocated to intangible assets other than goodwill and amortization period

Type	Amount	Amortization period
Customer-related assets	775 million yen	16 years

## (8) Approximate amount and calculation method of impact on consolidated statements of income for the current consolidated fiscal year calculated as if the business combinations had been completed at the beginning of the consolidated fiscal year

Net sales	259 million yen
Operating income	8
Ordinary income	6
Profit before income taxes	6
Profit attributable to owners of parent	6
Net income per share	0.47 yen

## (Calculation method of approximate amount)

The approximate amount of the impact was calculated as the difference between the amount of net sales and profit and loss information calculated as if the business combination had been completed at the beginning of the current consolidated fiscal year and the amount of net sales and profit and loss information stated in the consolidated statements of income of the acquiring entity.

It should also be noted that this note has not been audited.

## (Per share information)

	FY 2020 (January 1, 2020 to December 31, 2020)	FY 2021 (January 1, 2021 to December 31, 2021)
Net assets per share	3,515.28 yen	4,141.34 yen
Net income per share	70.80 yen	350.34 yen
Diluted net income per share	– yen	349.90 yen

- (Note) 1. Information on diluted net income per share for the previous consolidated fiscal year is omitted as there were no dilutive shares.
2. The basis of calculation of net income per share and diluted net income per share is shown in the table below.

	FY 2020 (January 1, 2020 to December 31, 2020)	FY 2021 (January 1, 2021 to December 31, 2021)
Net income per share		
Profit attributable to owners of parent (million yen)	1,016	5,028
Amount not attributable to common shareholders (million yen)	–	–
Profit attributable to owners of parent concerning common shares (million yen)	1,016	5,028
Average number of common shares during the period (shares)	14,353,028	14,352,991
Diluted net income per share		
Adjustment to profit attributable to owners of parent (million yen)	–	–
Increase in the number of common shares (shares)	–	18,006
(of which common shares by ex-post delivery-type share-based compensation (shares))	–	(18,006)
Summary of potential common shares not included in the calculation of diluted net income per share as they are not dilutive		—

## (Significant subsequent events)

## (Business combination by acquisition)

On January 7, 2022, our consolidated subsidiary NTC Wismettac Singapore Pte. Ltd. (hereinafter referred to as "NTC Singapore") acquired 100% of the shares of Ban Choon Marketing Pte. Ltd. (hereinafter referred to as "BCM") located in Singapore. As a result, BCM became a consolidated subsidiary of the Company.

## (1) Outline of business combination

## (i) Name of the acquired company and its business lines

Name of the acquired company: Ban Choon Marketing Pte. Ltd.

Business lines: Wholesale of fruits and vegetables and processed foods

## (ii) Main reasons for the business combination

NTC Singapore currently operates import and wholesale business of Japanese foods mainly in Singapore. NTC Singapore has recently acquired 100% of shares of BCM, a major wholesaler of fruits and vegetables in Singapore.

BCM, one of the leading companies in Singapore, is a wholesaler of vegetables and fruits serving a wide range of customers including major retailers (including NTUC FairPrice, the largest retailer in Singapore), e-commerce retailers, hotels and restaurants, and other food service operators.

The Company Group operates a business catering to major mass retailers, restaurant chains, individual restaurants, etc., in Japan, North America, Europe, China and Southeast Asia by taking advantage of its sales network infrastructure of agricultural and marine products and Japanese and other Asian processed foods.

With the acquisition of BCM, the Company aims to achieve business growth by leveraging its strong global procurement function of fruits and vegetables and to expand and strengthen its sales network infrastructure across Southeast Asia.

## (iii) Date of business combination

January 7, 2022

## (iv) Legal form of the business combination

Through acquisition of shares for cash consideration

## (v) Name of the controlling entity after the business combination

The name remains unchanged.

## (vi) Percentage share of voting rights acquired

100%

(vii) Main reason for deciding to acquire the company

As the Company Group acquired shares of BCM for cash

(2) Acquisition cost of the acquired company and breakdown

Consideration for acquisition: Cash	2,086 million yen
Acquisition cost	2,086 million yen

(3) Goodwill, reason for recognizing goodwill, amortization method and amortization period

To be determined.

(4) Amounts of assets and liabilities acquired on the day of the business combination and breakdown

To be determined.

(5) Terms of contingent consideration prescribed by business combination agreement and accounting policy to be applied from the current consolidated fiscal year onwards

The consideration for the acquisition may change going forward pursuant to the provisions of the share transfer agreement. When the payment or delivery of contingent consideration becomes certain and its fair value becomes reasonably determinable, the payment will be recognized as additional acquisition cost and additional goodwill or negative goodwill will be recognized.