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## Supplementary Material to Financial Results

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First Quarter of the Fiscal Year Ending December 2022

Nishimoto Co., Ltd.

May 13, 2022

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## Q1 2022 Financial Results

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- ◆ With the relaxation of regulations related to COVID-19, consumer demand recovered as economic activities were stimulated mainly in North America and Europe. The Company saw significant increases in sales and profits year-on-year chiefly in the Asian Food Global Business.

Same period last year	Net sales: 44.6 billion yen	Operating income: 1.1 billion yen	Ordinary income: 1.1 billion yen	Net profit: 0.9 billion yen*
<b>Current period</b>	<b>Net sales: 59.0 billion yen</b>	<b>Operating income: 2.9 billion yen</b>	<b>Ordinary income: 3.1 billion yen</b>	<b>Net profit: 2.1 billion yen*</b>

(\*) Net income attributable to owners of parent

## Revision of Interim and Full-Year Earnings Forecasts and Dividend Forecasts

p. 8

- ◆ Earnings forecasts and dividend forecasts have been revised based on the first-quarter financial results and the current business environment as follows:

### Earnings Forecast for the Fiscal Year Ending December 2022

Interim	Net sales: 130.0 billion yen	Operating income: 5.0 billion yen	Ordinary income: 5.0 billion yen	Net profit: 3.5 billion yen*
Full Year	Net sales: 254.0 billion yen	Operating income: 9.0 billion yen	Ordinary income: 9.0 billion yen	Net profit: 6.0 billion yen*

(\*) Net income attributable to owners of parent

### Dividends Forecast for the Fiscal Year Ending December 2022

FYE 12/2021	Interim dividend: 35 yen	Year-end dividend: 70 yen	Total: 105 yen
<b>FYE 12/2022</b>	<b>Interim dividend: 65 yen (forecast)</b>	<b>Year-end dividend: 60 yen (forecast)</b>	<b>Total: 125 yen (forecast)</b>

## Medium-Term Business Plan: Become a bridge across the regions, linking unsatisfied needs of the food industry and consumers with creative solutions

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- ◆ Evolving from the cross-border food supply chains to the "Silk Road in Food Industry"
  - Providing Japanese food, fresh vegetables and fruits, and imported processed food → Offering solutions (food, technology, and service)
  - From Japan to the world, from the world to Japan → From the world to the world: developing interactive business in five regions of the world
- ◆ Aiming at over 300 billion yen in net sales and 10 billion yen in operating income on a company-wide basis in 2024 while increasing sales primarily in the Asian Food Global Business

<b>[2022]</b>	Net sales: 254.0 billion yen	<b>[2023]</b>	Net sales: 279.2 billion yen	<b>[2024]</b>	Net sales: 304.5 billion yen
	Operating income: 9.0 billion yen		Operating income: 9.5 billion yen		Operating income: 10.0 billion yen

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# Summary of Financial Results for the First Quarter of the Fiscal Year Ending December 2022

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**As COVID-19 regulations were increasingly relaxed, economic activities were stimulated, boosting sales for restaurants. Sales for groceries also continued to be strong. Through group-wide proper inventory control and personnel measures, the Company maintained steady profitability by striving to keep its supply system stable and obtain profit-making opportunities.**

- ◆ The progress in the relaxation of regulations stimulated economic activities, and as a result, sales for restaurants grew mainly in Europe and the U.S. Sales for groceries, which underpinned the overall sales under COVID-19 conditions, also continued to be strong, and as a result, the Company achieved significant increases in sales, at 32.3% year-on-year.
- ◆ Amidst the delay in logistic operations as well as in the manufacturing process at product suppliers due to the deterioration of shipment by container vessels, which were forced to wait at sea, and general personnel shortages, the Company ensured proper inventory control and took personnel measures on a group-wide basis to maintain stable product supply and service levels, thus securing profitability.
- ◆ During the current term, the direct effects of the situation in Ukraine were minor.

(Unit: billions of yen)

		FY ended December 2021	FY ending December 2022		
		First quarter results	First quarter results	Year-on-year	
Operating results	Net sales	44.6	59.0	+14.3	+32.3%
	Gross profit	8.5	12.5	+3.9	+46.8%
	Operating income (Excluding strategic expenses)	1.8	3.5	+1.7	+95.8%
	Operating income or loss(△)	1.1	2.9	+1.7	+158.6%
	Ordinary income or loss(△)	1.1	3.1	+2.0	+173.9%
	Net income or loss(△) attributable to owners of parent	0.9	2.1	+1.2	+139.2%
Yen/Dollar exchange rate (Average rate during the period)		105.90 yen	116.20 yen	+10.30 yen	
Quarterly net income or loss(△) per share		63.03 yen	150.77 yen	+139.2%	

- ◆ **Despite the delay in logistics and other operations, the Asian Food Global Business saw both sales and profits continue to be strong as it concentrated on stable product supply.**
- ◆ **The Agriculture & Seafood Products Trading Business struggled to gain sales due to continued regulations in major cities in Japan but achieved increased sales and profits year-on-year thanks to the contributions made by Ban Choon Marketing Pte. Ltd., which had become a consolidated subsidiary of the Company.**

### **Asian Food Global Business (hereinafter called "AFB")**

- ◆ The relaxation of regulations in various countries stimulated economic activities, and as a result, sales for restaurants in particular increased significantly. Amidst the delay in logistic operations as well as in the manufacturing process at product suppliers due to the deterioration of shipment by containers, which were forced to wait at sea, and general personnel shortages, the Company ensured proper inventory control and took personnel measures on a group-wide basis to maintain stable product supply and service levels, thus securing profitability.
  - North America region: +36.4% YoY, +25.4% YoY vs. FY 2019 (before the COVID-19 pandemic)
  - Regions other than North America: +46.4% YoY

### **Agricultural & Seafood Products Trading Business**

- ◆ In the domestic market, the Company struggled to gain sales due to the continuation of the Act on Priority Measures Such as Prevention of Spread in major urban areas, but thanks to the contributions made by Ban Choon Marketing Pte. Ltd., a major wholesaler of fresh vegetables and fruits in Singapore, which had become a consolidated subsidiary of the Company, sales grew by 11.8% year-on-year.
- ◆ In an environment in which unstable shipping schedules made inventory control difficult, the Company's efforts to maintain comparatively favorable market prices took effect.

(Unit: billions of yen)

Business segments		FY ended December 2021	FY ending December 2022			
		First quarter results	First quarter results	Year-on-year		
AFB	Net sales	33.3	46.3	+13.0	+39.0%	
	Operating income or loss(△)	1.2	2.9	+1.7	+139.0%	
Agricultural & Seafood Products Trading Business	Net sales	10.2	11.4	+1.2	+11.8%	
	Operating income or loss(△)	▲ 0.0	0.0	0.0	-	
Other	Net sales	0.9	1.1	+0.1	+17.0%	
	Operating income or loss(△)	0.0	0.0	▲ 0.0	▲29.0%	
Adjustment	Net sales	-	-	-	-	
	Operating loss(△)	▲ 0.1	▲ 0.1	▲ 0.0	-	
Total	Net sales	44.6	59.0	+14.3	+32.3%	
	Operating income	1.1	2.9	+1.7	+158.6%	

# Consolidated Balance Sheet (Summary)



(Unit: billions of yen)

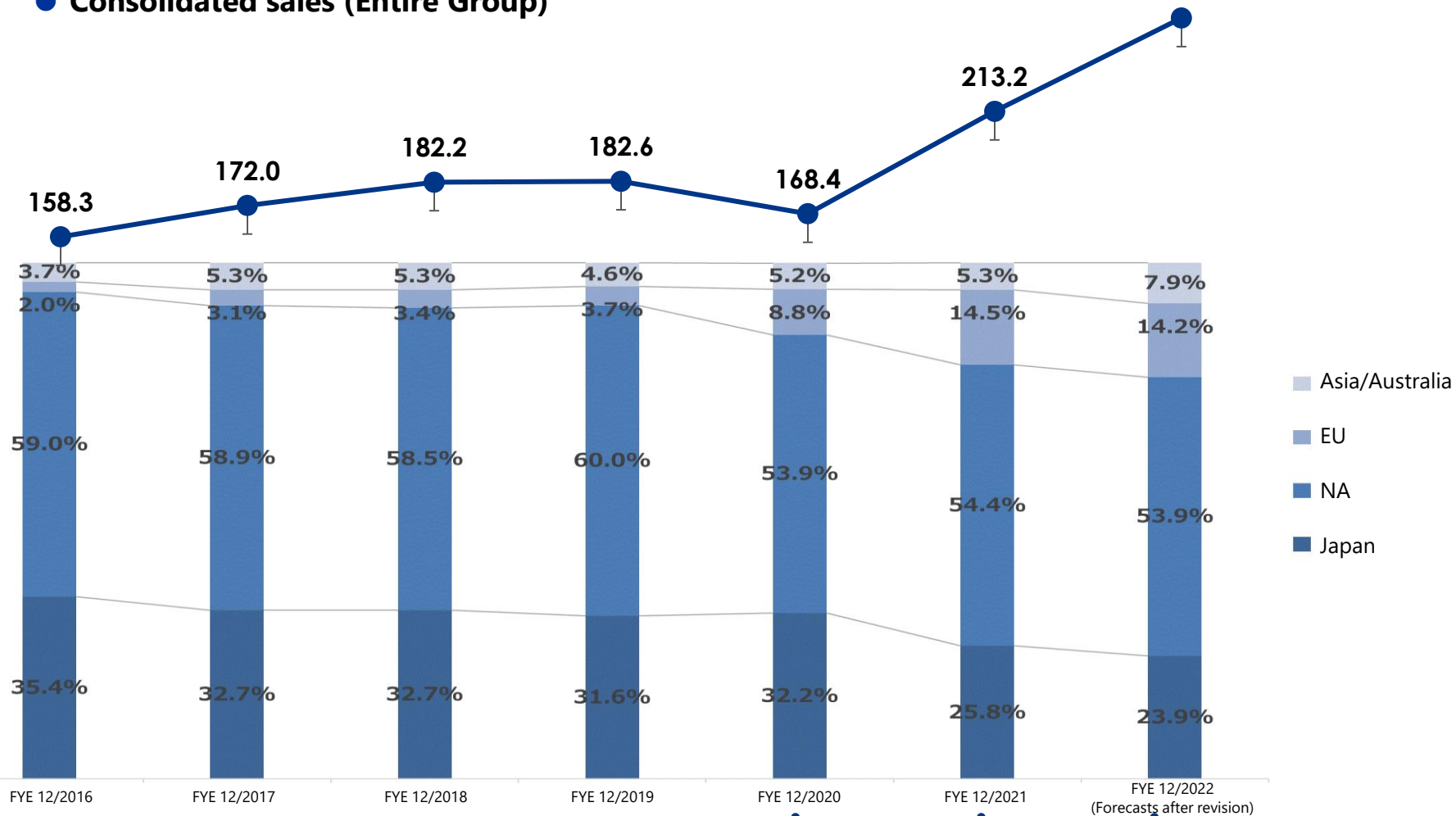
		End of 12/2021	End of 03/2022	Amount/Rate of increase(decrease)	Main reasons for changes
Total assets	Current assets	124.7	133.7	+8.9	Cash and deposits ▲5.4, Trade receivables +2.8, Inventories +11.4
	Non-current assets	17.0	29.6	+12.6	Lease assets (net) +10.2
		141.7	163.4	+21.6	
Total liabilities	Current liabilities	36.6	41.9	+5.2	Trade payables +3.3
	Non-current liabilities	45.2	56.9	+11.7	Lease obligations +9.2
		81.9	98.9	+17.0	
Total net assets		59.8	64.4	+4.6	
Total liabilities and net assets		141.7	163.4	+21.6	

Shareholders' equity ratio	41.9%	39.2%	▲2.8 pt	
Current ratio	339.9%	319.0%	▲21.0 pt	

# (Ref.) Sales Composition Ratio by Region

## ● Consolidated sales (Entire Group)

(Full-year forecast after revision) \* 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



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Revision of Interim and Full-Year Earnings Forecasts  
for the Fiscal Year Ending December 2022

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- ◆ **Profit continues at a level that enables the Company to absorb rises in costs and expenses to a certain extent mainly in North America, its key market, through price adjustments that reflect a tight supply-demand balance.**
- ◆ **Despite the strong sense of uncertainty about the future in the external environment, the interim and full-year profit earnings forecasts have been revised based on the current business conditions.**

	Initial forecasts (2022/2 Published)		Forecasts after revision	
	Interim	Full Year	Interim	Full Year
Net sales	120.0 billion yen	240.0 billion yen	<b>130.0 billion yen</b>	<b>254.0 billion yen</b>
Operating income	2.8 billion yen	5.0 billion yen	<b>5.0 billion yen</b>	<b>9.0 billion yen</b>
Ordinary income	2.6 billion yen	4.7 billion yen	<b>5.0 billion yen</b>	<b>9.0 billion yen</b>
Net income attribute to owners of parent	1.9 billion yen	3.3 billion yen	<b>3.5 billion yen</b>	<b>6.0 billion yen</b>

#### Factors for revision of net sales and profits

- ◆ In the full-year profit earnings forecasts for the fiscal year ending December 2022, which were disclosed in February of this year, it was assumed that sales were expected to recover steadily due to the relaxation of COVID-19 regulations and that on the other hand, in terms of profitability, in addition to price adjustments expected when logistics were stabilized and the supply-demand balance became normal, rises in the prices of raw materials and the fares of marine transport would affect gross profits.
  - Costs and expenses are growing continuously as initially expected, but in the current business conditions, profit continues at a level that enables the Company to absorb rises in costs to a certain extent mainly in North America through price adjustments that reflect a tight supply-demand balance.
  - There is a strong sense of uncertainty about the future in the second quarter and thereafter due to sharp rises in the price of energy and raw materials affected by the situation in Ukraine, the rapid depreciation of yen, and the effects of lockdowns in China, but the interim and full-year earnings forecasts have been revised based on the current business conditions.
  - Initiatives and investments for the future will continue.

#### (Reference: Continued initiatives and investments for the future)

- ◆ Evolution to a new business model: Promote various initiatives by developing an overseas management system, hiring specialized personnel, and developing products for new sales channels.
- ◆ Strengthen the foundations of existing businesses: Continue to invest in improving warehouse operations and logistics systems and promoting labor-saving measures.

Planning  
assumption

**The yen/dollar exchange rate in the revised forecast is assumed to be 1\$ = 120 yen.**

Unit: billions of yen		FY2020 Results	FY2021 Results	FY2022 (2022/2 Published)	FY2022 Revised	Comment
Entire company	Sales	168.4	213.2	<b>240.0</b>	<b>254.0</b>	Sales growth seen in both existing and new businesses. Continuing to strengthen systems and investments for medium- to long-term growth.
	Profit	1.9	7.3	<b>5.0</b>	<b>9.0</b>	
Existing	Sales	165.7	207.3	<b>224.7</b>	<b>240.0</b>	While the increase in sales will compensate for the decrease in earnings due to the increase in expenses and other factors, investments will continue to be made to strengthen the business foundation for the future.
	Profit	3.9	10.5	<b>8.3</b>	<b>11.6</b>	
AFB	Sales	116.3	159.8	<b>171.6</b>	<b>191.0</b>	Purchase costs and logistic expenses are continuing to rise, but the current market conditions will remain favorable due to the continuation of the tight supply-demand conditions.
	Profit	3.0	10.5	<b>7.7</b>	<b>11.6</b>	
Agricultural & Seafood Products	Sales	45.8	43.9	<b>48.9</b>	<b>45.0</b>	Unstable logistics and low yen value will affect gross profits. Efforts to build a system to strengthen sales operations in Japan and abroad through organizational restructuring will be promoted.
	Profit	0.8	▲0.1	<b>0.5</b>	<b>0.0</b>	
Domestic BtoC	Sales	3.6	3.7	<b>4.1</b>	<b>4.0</b>	Aiming to increase sales by expanding the range of products handled and introducing an online ordering system.
	Profit	0.1	0.1	<b>0.1</b>	<b>0.0</b>	
New	Sales	2.7	6.0	<b>15.3</b>	<b>14.0</b>	While continuing to invest in the evolution of new business models, still remaining focused on expanding sales to mainstream and other sales channels, which are currently being strengthened.
	Profit	▲2.0	▲3.2	<b>▲3.3</b>	<b>▲2.6</b>	
(USD exchange rate)		(106.82)	(109.80)	(110.00)	(120.00)	

# Breakdown of Strategic Investment

- ◆ Continuing to invest in initiatives to strengthen the foundations of existing businesses and evolve into new business models.
- ◆ With the formulation of the medium-term business plan and the revision of the full-year profit earnings forecasts, the targets for the current period have been partially revised.

	Measures	Amount (including expenses/billions of yen)			Aims	
		2021 Results	2022 Revised	2022 Q1 Results		
<b>1</b>	<b>Expansion Business Fields</b>	◆ Creation of new businesses in the intersection of the fields of Food, Healthcare, Ecology, New Lifestyle and Food informatics	0.5	0.8	0.2	◆ Diversification of the business portfolio
<b>2</b>	<b>Strengthening Interregional Cooperation</b>	◆ Formation and strengthening of regional management teams ◆ Product development and mainstream sales channel development in Europe and China	1.2	1.5	0.3	◆ Strengthening management and operational capabilities in each region ◆ Building business strategies for strengthening mainstream sales channel, etc., and building business strategies for deepening transactions
<b>3</b>	<b>Strengthening Profitability of Existing Business</b>	◆ Enhancement of the product development divisions ◆ SCM and IT infrastructure investments ◆ Organizational revitalization/streamlining(NA, etc.) and reform of compensation system	0.1 0.0 0.5	0.2 0.5 0.1	0.0 0.0 0.0	◆ Further expansion of the private brand product lineup ◆ Development of health-conscious products ◆ Reduction of SG&A and logistics costs and labor savings through digital transformation(DX) ◆ Strengthening organizational capabilities ◆ Introduction of compensation system based on company and staff performance ◆ Stronger teamwork capability through the introduction of internal communication/coordination tools
<b>4</b>	<b>Development of New Businesses Derived from Existing Businesses</b>	◆ Construction of a mechanism for overseas export of Japanese agricultural products ◆ Development of new services to the restaurant industry (New Normal eating habits)	0.2 0.2	0.3 0.2	0.1 0.0	◆ Capturing growth in overseas markets ◆ Capturing food service businesses responding to the New Normal lifestyle
		<b>Total</b>	<b>2.7</b>	<b>3.6</b>	<b>0.6</b>	

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# Policy of Returning Profits to Shareholders

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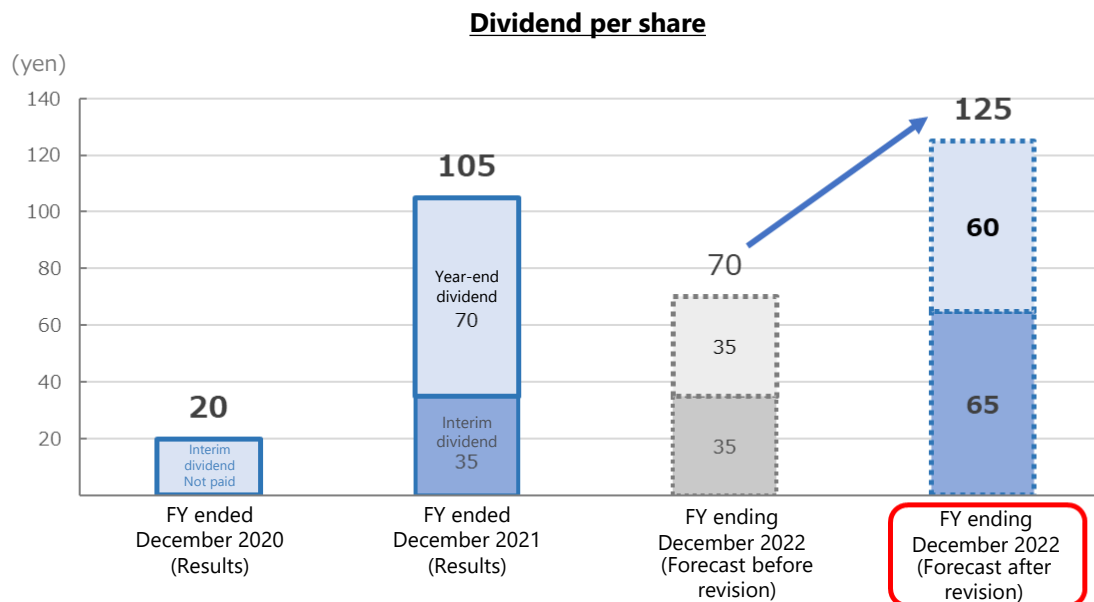


## Basic Policy

- ◆ The company will continue to pay stable dividends while securing internal reserves for future business development and strengthening the financial structure.
- ◆ The company considers the dividend payout ratio as an important indicator and aims for a consolidated dividend payout ratio of approximately 30% for the full year.

## Dividends for the Fiscal Year Ending December 2022

- ◆ The forecasts for interim and end-of-year dividends are determined in consideration of the above basic policy, the business environment surrounding the Group, and future business outlook.
- ◆ With the recent revision of profit earnings forecasts, the interim dividend forecast has been revised from 35 yen per share to 65 yen, and the end-of-year dividend forecast from 35 yen per share to 60 yen. The annual dividend has been increased from 70 yen to 125 yen. The full-year dividend payout ratio is about 30%.



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# Mid-term Business Plan

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- Wismettac: Purpose and Mission p.16
  - Background of our Mission
  - The Mission of Wismettac - Concept (To date)
  - The Mission of Wismettac - Concept (Future)
  
- Outline of the Group Strategy p.20
  
- Outline of the Plans by each Business Segment p.21
  
- Solution Development Business (Concept) p.22
  
- Solution Development Business (Status of Activities) p.23
  
- Open “Silk Road” Concept p.24
  
- Medium-term Financial Plan p.25  
(for the period between 2022 - 2024)



## Purpose Statement

**Contribute to the well-being of humanity through providing the most cutting-edge and powerful solutions to customers and the food industry around the world**

## Mission Statement

**To bring our Purpose a reality, we actively search global best-in-class solutions for unmet needs and issues which shall be brought to our attention through our day-to-day close interactions with customers and the food industry around the world.**

**In other words, we will be the link between the most cutting-edge and best fit solutions and the issues or unmet needs identified through our global network.**

Our business model to bring our Purpose a reality

**To accomplish our mission, we will commit ourselves to evolving our cross-border supply chain into the "Silk Road in Food Industry".**

Providing Japanese food, fruit and vegetables, and imported processed foods



Providing every type of solutions from food to technology and services

"From Japan to the World" & "From the World to Japan"



"World-to-World" - Interactive business in five regions

The year of 2022 becomes the 110th anniversary for Wismettac Group. The Group was founded with the desire of bringing Japanese food to the world Japanese people living abroad and, at the same time, foreign food to Japanese dining tables. We have developed our business in the pursuit of our philosophy of "Bringing World's Food to Japan & Japanese Food to the World".

In recent years, advances in transportation and information/communication technologies have promoted not only trading of goods(products) across borders, but also instantaneous connection of people and information. Our society has changed significantly for the past 110 years. Accordingly, the food industry, which had been relatively slow to change in the past, are now driven by strong demand for a change into a more diversified and efficient industry.

In such a business environment, our integrated cross-border supply chain and network that we have developed will remain one of our greatest strengths. However, we will aspire to evolve further in the following three ways:

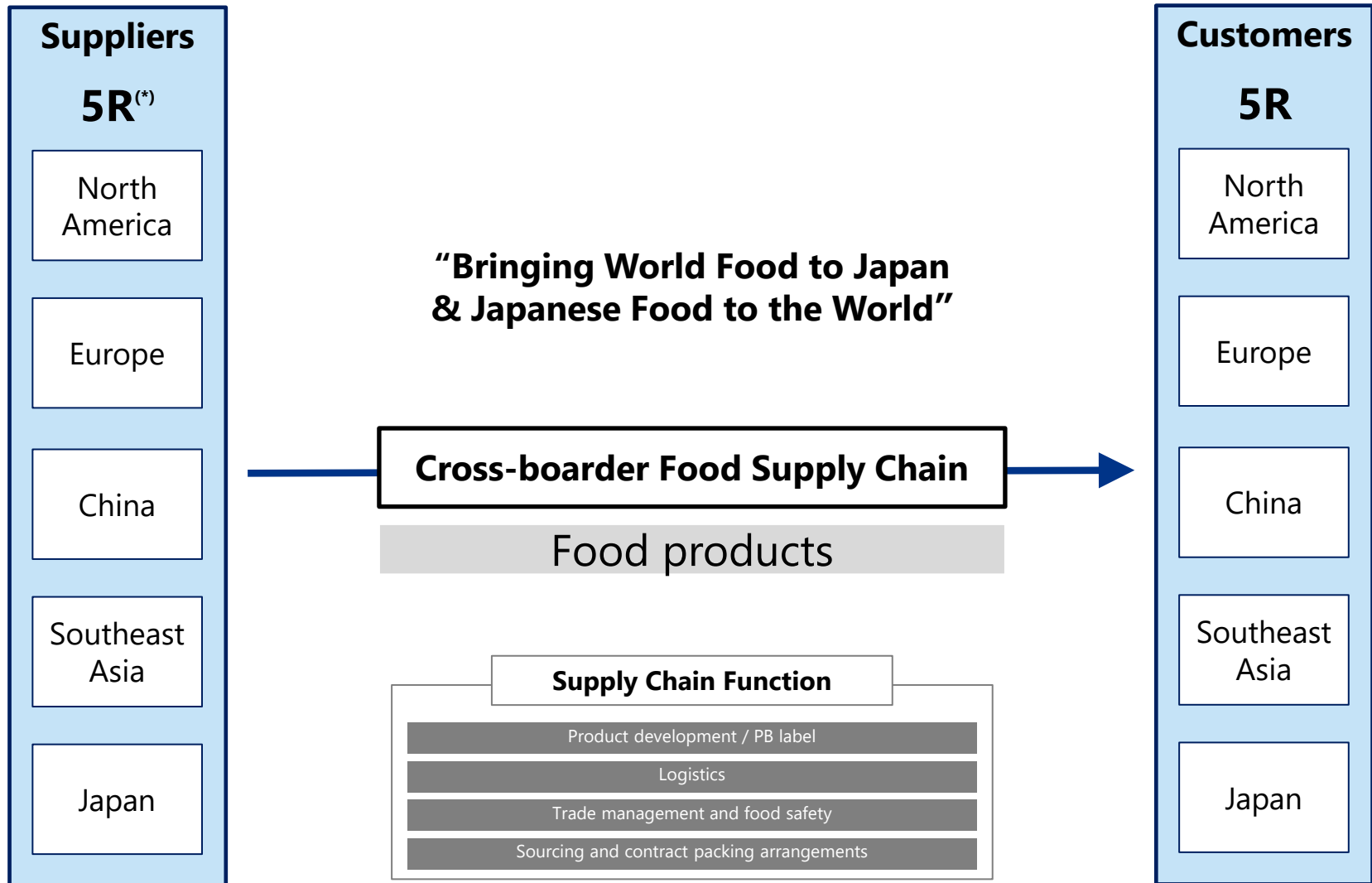
- 1) To develop a bilateral current cross-boarder supply chain centered on Asia into a truly global and multilateral ("World to World") supply chain where five regions (North America, Europe, China, Southeast Asia, and Japan) interact and trade directly with each other.
- 2) To overhaul and re-engineer our business so as to solve the needs and problems of the food industry regardless of whether a solution is our current range of products or not. We will explore the problems and challenges of consumers and companies related to the food industry, and will find the wisdom (Wisdom / Metta) that is nurtured consciously or unconsciously somewhere in the world and to creatively convert it into commercialized products and technologies.
  - One approach is to focus on the following macro-socioeconomic dynamics: "global environmental changes", "structural reform of the food industry due to development of digital technologies (AI and robotics)", "integration of medical care and food for healthier life", and "shift in lifestyles for more flexible work arrangements".
- 3) To make "our road" accessible and useful not only for the benefit of our own products and technologies, but also for that of companies and people who would like to bring their own products and technologies to the world.

Our original mission was "Bringing World's Food to Japan & Japanese Food to the World".

**Now, our next mission is to become "the link between the most cutting-edge and best fit solutions and the issues or unmet needs identified through our global network."**

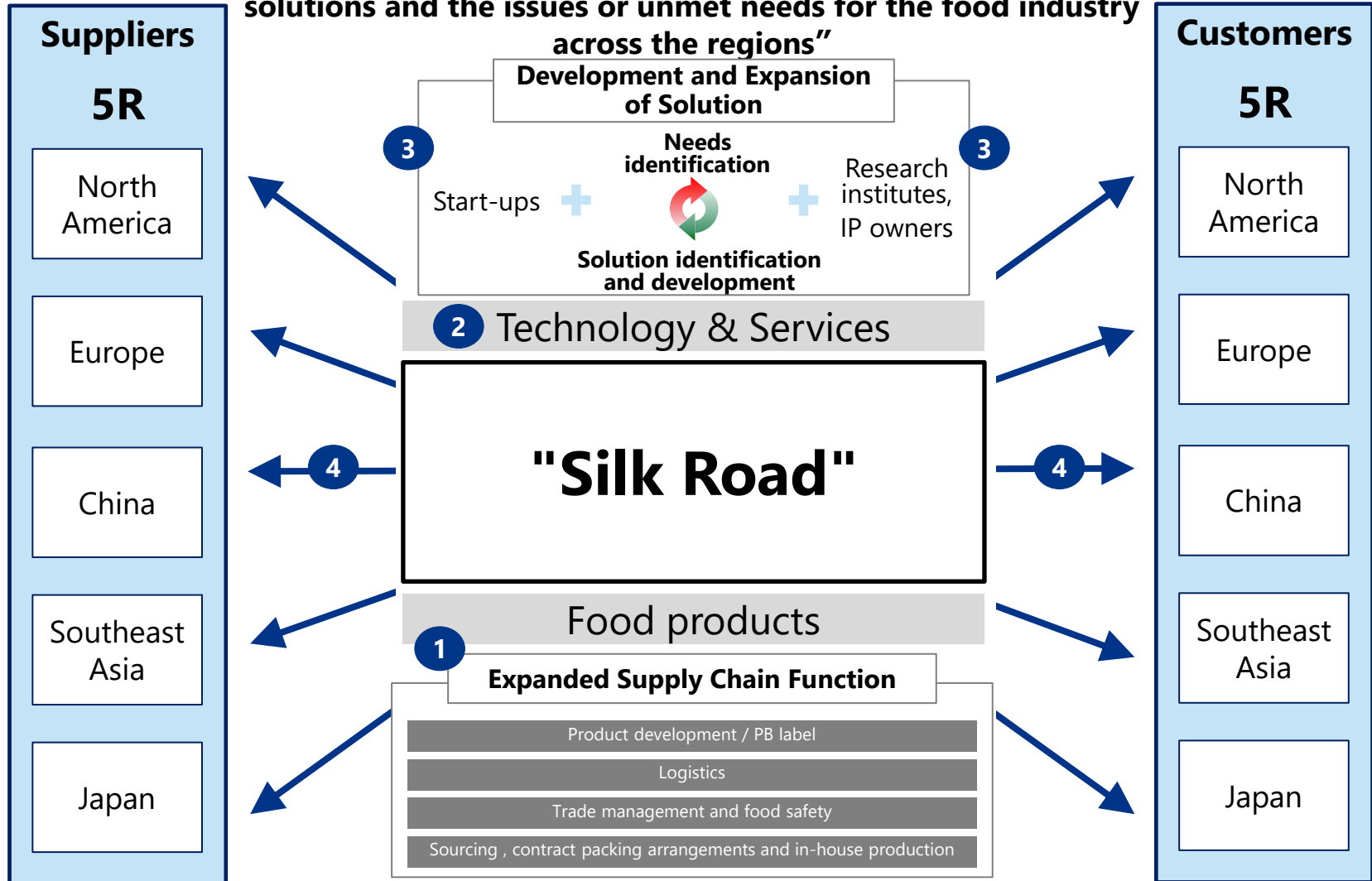
Wismettac Group is committed to further development.

Although we have handled different ranges of food products, the seamless cross-border supply chain we have built is in a bilateral & single direction (“from one region to one region”) for each range of food products.



We will ① strengthen further the supply chain functions we have cultivated to date, ② develop "service and technology" solutions for needs identified through our network within the food industry in the 5Rs (five regions around the world), ③ open up our "Silk Road" for external research institutes and start-up companies, and; ④ expand products and services around the 5Rs through our Silk Road

**"Become the link between the most cutting-edge and best fit solutions and the issues or unmet needs for the food industry across the regions"**



**We will capture further growth in the Asian food market by developing mainstream sales channels and trading areas. In addition, we will develop new products and services based on our global network and strengthen the cross-border food supply chain to evolve into the "Silk Road in Food Industry".**

## Cross-border Food Supply Chain

### Opportunities

- Further penetration of the Japanese food market
- Omni-channel models of the food service after the COVID-19 pandemic.
- Shift to local production in consuming countries
- Oligopolization of the e-commerce and retail industry
- More stringent food safety, traceability, and SDGs requirements for the food industry

Response

**Broader, More Resilient  
Cross-border Food Supply Chains**  
Growth with the Asian Food Global Business

### Strategy

#### [Broader]

- Accelerate development of mainstream sales channels
- Expand and promote sales in the Middle East, South America, India, and Africa

#### [More Resilient]

- Sophisticate our capability of the trade management, food safety, inventory control, and logistics
- Improve our capabilities to develop the products more adaptive to the local market
- Evolve into a trading and wholesaler with in-house production capabilities
- Adapt to TCFD\* and food traceability requirements

\* Task Force on Climate-related Financial Disclosures

## "Silk Road in Food Industry"

- Health-consciousness, telecommuting, and other lifestyle changes
- Digitalization of the food supply chain
- Transformation toward a circular economy
- Transition to a society of health and longevity
- Growing need for improvement of manpower productivity / operational efficiency

Response

**Evolution into the "Silk Road in Food Industry"  
Accessible and attractive to all people**

Development and expansion of new solutions

#### [Attractive]

- Develop nutrient rich and functional foods for the aged and the sick
- Explore and develop solutions for new lifestyles and a circular economy
- Explore and develop solutions to solve workforce shortages faced by the food industry

#### [Accessible]

- Customize services to ensure local acceptance and penetration of solutions such as products, technologies, and services

**We will be a company that provides solutions to meet the needs of the food industry worldwide.**

**The Asian Food Global Business will capture mainstream sales channels and accelerate growth by improving product development capabilities and local production capacity (including in-house production). The Agricultural & Seafood Products Trading Business will improve the quality of its operations and increase profitability.**

## Business Environment Perception

## Outline of Plans

### Asian Food Global Business

- Circa 10% growth of the Japanese food market and mainstream penetration in North America, Europe and China
- Ready-made/home-cooked meal consumption is on the rise. In addition to traditional supermarkets, there is a variety of purchase routes such as e-commerce, take-out and delivery.
- Stricter food regulations in various countries, as well as more stringent traceability requirements in mainstream
- Even after the COVID-19 pandemic, the global food supply chain remains unstable behind the Russia-Ukraine war and intensified political and economic tensions between the Major Powers

1. Expansion of mainstream sales channels and trading areas
  - Expanding mainstream sales channels mainly in the U.S. and Europe
  - Establishing our business hubs in the Middle East, South America, India, and Africa
  - Penetrating Asian food products into the mainstream customers with development of "Deskilled(easy-cook)" products (ready-to-eat product, etc.)
2. Building a stronger and more efficient supply chain
  - Improving the food safety and traceability control
  - Seeking an optimized supply chain that combines imports and local sourcing
3. Establishment of the local production capacity to achieve our stable supply and cost competitiveness

### Solution Development Business

Please refer to the next page for information on projects under consideration and the status of initiatives.

### Agricultural & Seafood Products Trading Business

- Both the volume and value of fresh fruit imports are on the rise, and the market size is growing moderately
- In relation to citrus fruits as one of our core product ranges, the market size of grapefruit is shrinking, while that of oranges and lemons is slightly increasing. A growth is expected for our other core products
- Increase in exports of Japanese agricultural products to Asian countries

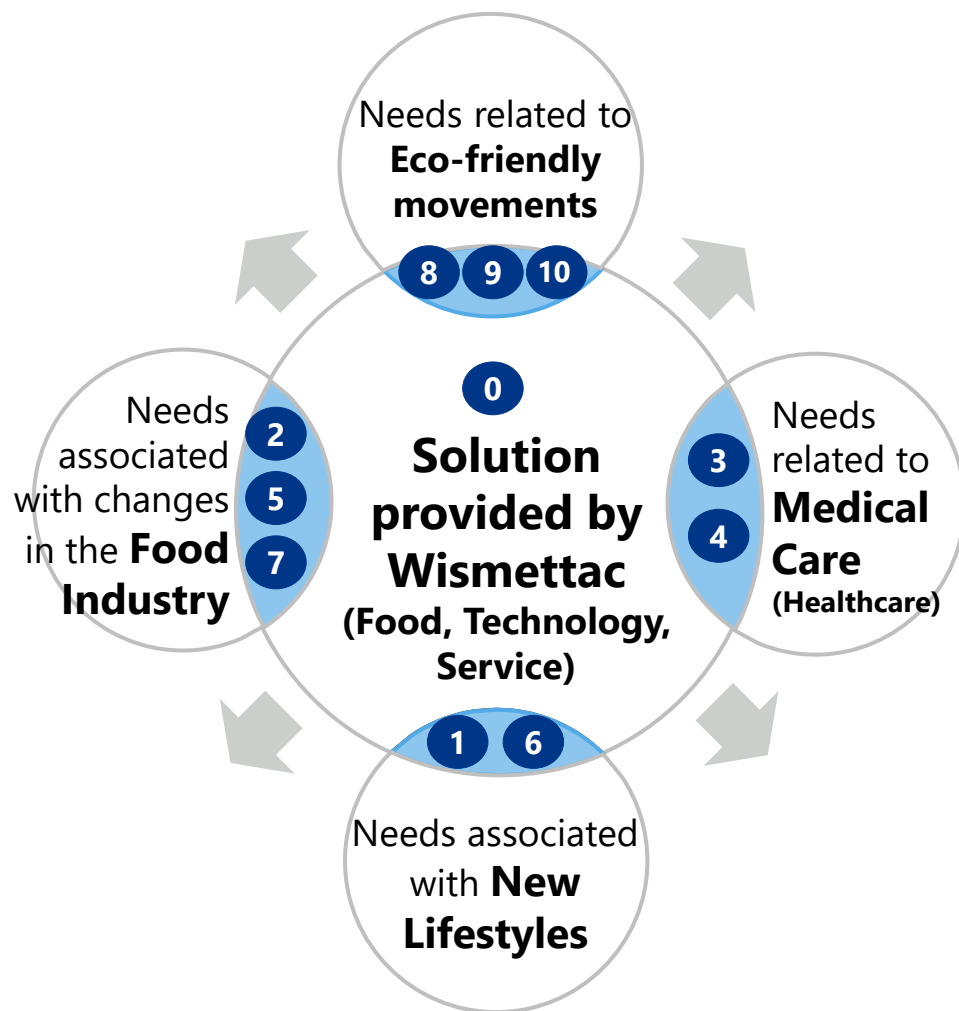
1. Strengthening relationships with customers and production areas and developing overseas business
  - Solution development for domestic and overseas farming areas: overseas sales channel, marketing, support for overseas production/cultivation, etc.
  - Strengthen sales marketing capabilities to customers including large retailers
2. Reshaping into a more efficient operational structure
  - Improved efficiency through integration of business IT systems
  - Reorganization into a function-based structure

### Japan Domestic Business

- Growth of the specialty food market. Sales channels are diversified, with major supermarkets and e-commerce companies entering the market.
- The organic food market in Japan is at an early stage in comparison with foreign countries: however, it is expected to grow in the future.

1. Increasing manpower productivity (Digital Transformation)
  - Introduction of an online ordering system
  - Building omni-channel marketing capabilities
2. Wider varieties of health-conscious products such as organic foods

In order to build a methodology for continuous business creation, we will accelerate the pace of exploring needs and developing solutions. Our attention is drawn to macro-socioeconomic dynamics for our business creation, which are regularly reviewed from the commercial feasibility point of view.

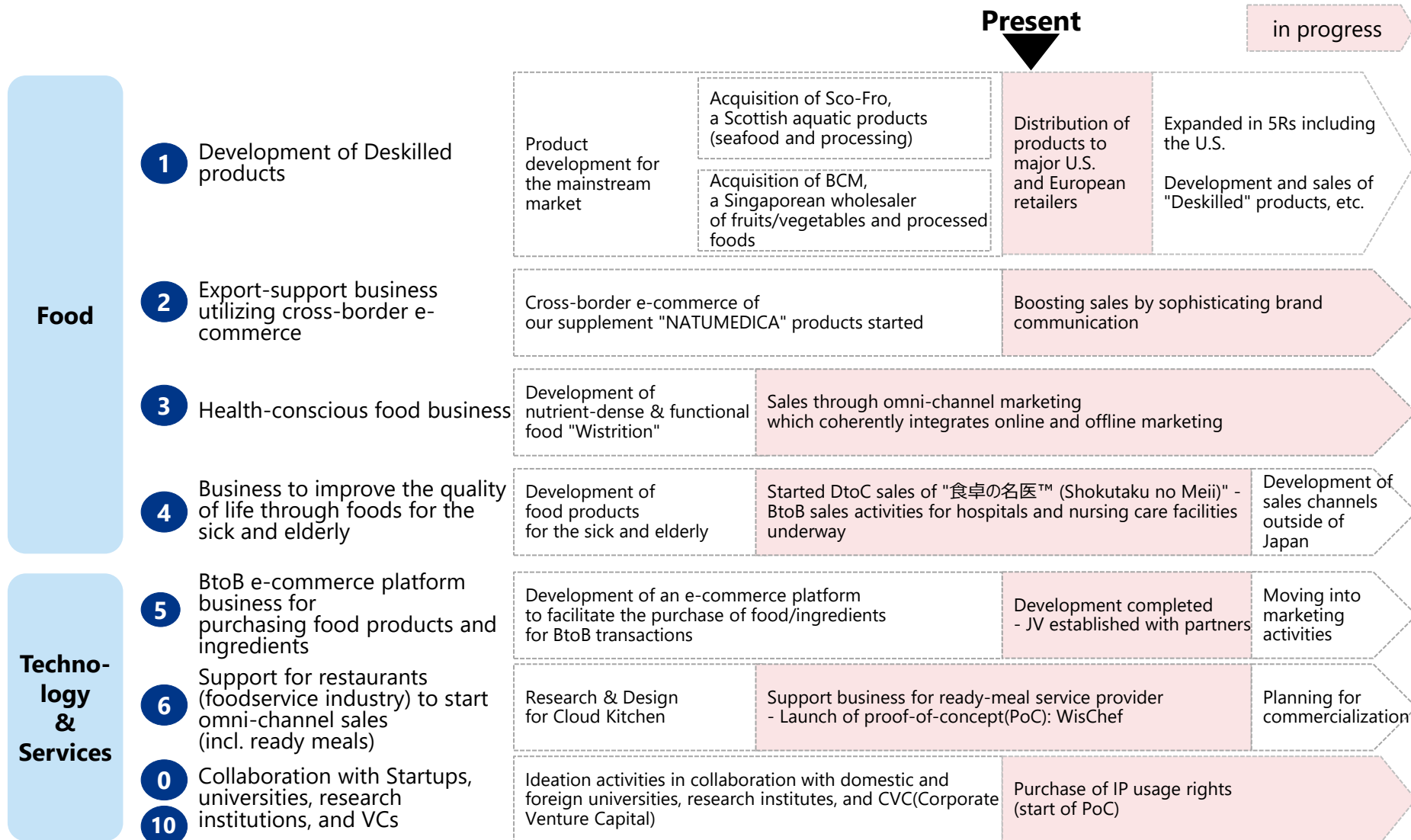


## Projects in progress for commercialization

1	"Deskilled" product development (ready-to-eat product, etc.)	5 Regions
2	Export-support business utilizing cross-border e-commerce	Between China and Japan
3	Health-conscious food business (including some initiatives by existing businesses)	China/Japan
4	Business to improve the quality of life through foods for the sick and elderly	China/Japan
5	BtoB e-commerce platform business for purchasing food products and ingredients	Japan
6	Support for restaurants (foodservice industry) to start omni-channel sales (incl. ready meals)	Japan/US
7	Agricultural products export-support platform business (led by the Agri/Aqua Div.)	Japan/ SE Asia
8	Distribution of RAS aquaculture products (led by the existing AFB Business)	Europe
9	Distribution of plant-based meat and fish products (led by the existing AFB Business)	5 Regions
10	Support for resource-saving farming technology	Japan/ Australia/ US
0	Identify business ideas and solutions Collaboration with Startups, universities, research institutions, and VCs	Japan/ Europe/ China

# Status of Activities to Develop New Solutions

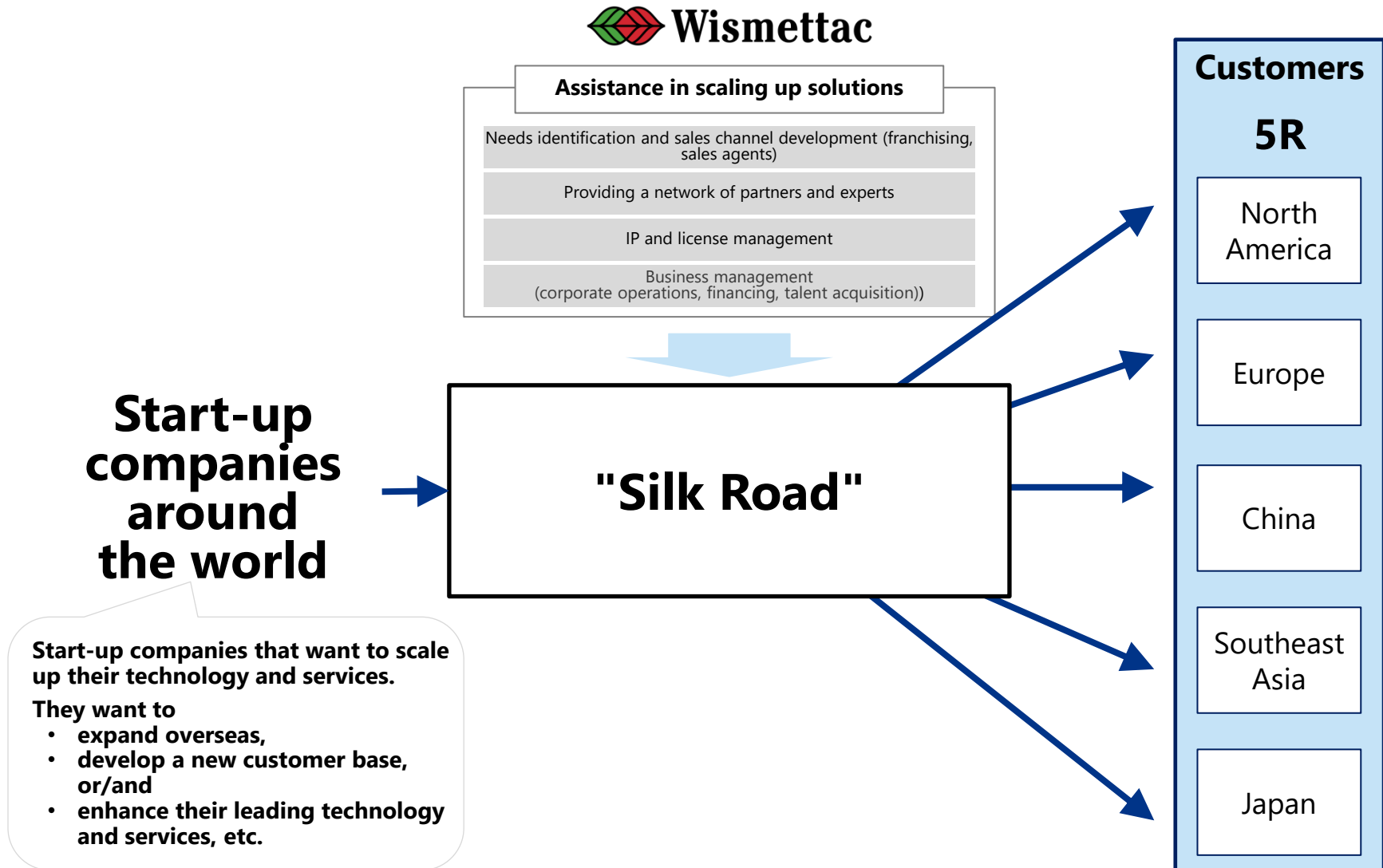
**For each activity to develop new solutions, gate reviews are regularly conducted to evaluate the progress of the business and PoC. We will create and nurture numerous business groups with quickly running the PDCA cycle on a global basis.**



(\*) Items 7, 8, and 9 are not included in the above roadmap as they are being implemented as existing business or are derived from existing business.



**While developing our own solutions, we will also utilize the knowledge and the experience gained through these efforts to support Start-ups with excellent solutions who aspire to expand their business, especially overseas.**



# Med-term Financial Plan (2022 – 2024)

**We will achieve a moderate growth of the profit, as the revenue growth offsets a decline in gross profit margin due to the normalization of the supply chain. We are aiming for 304.5 billion yen in sales and 10 billion yen in operating income by 2024.**

## Assumption

The yen/dollar exchange rate in the forecast is assumed to be 1\$=120 yen

Unit: billions of yen		FY2021 Results	FY2022 Revised forecast	FY2023	FY2024	Comments:
Entire company	Sales	213.2	<b>254.0</b>	<b>279.2</b>	<b>304.5</b>	Both existing and new sales grew, and we will continue to invest in and reinforce systems for mid- to long-term growth.
	Profit	7.3	<b>9.0</b>	<b>9.5</b>	<b>10.0</b>	
Existing	Sales	207.3	<b>240.0</b>	<b>264.2</b>	<b>287.5</b>	While a decrease in profits due to increased costs will be offset by an increase in sales, investments will continue to be made to strengthen the business foundation for our continuous growth.
	Profit	10.5	<b>11.6</b>	<b>12.2</b>	<b>12.5</b>	
AFB	Sales	159.8	<b>191.0</b>	<b>210.0</b>	<b>230.0</b>	As global supply-demand balance returns to normal and supply volume increases, we will expect a moderate decline in gross profit margin for us, however, this will be offset by an increase in revenues.
	Profit	10.5	<b>11.6</b>	<b>11.5</b>	<b>11.6</b>	
Agricultural & Seafood Products	Sales	43.9	<b>45.0</b>	<b>50.0</b>	<b>53.0</b>	The profitability will increase thanks to operational efficiencies as well as recovery from lower gross margins caused by supply chain disruptions.
	Profit	▲0.1	<b>0.0</b>	<b>0.6</b>	<b>0.8</b>	
Domestic BtoC	Sales	3.7	<b>4.0</b>	<b>4.2</b>	<b>4.5</b>	We are aiming to increase sales by expanding product lineup, introducing online ordering system, etc.
	Profit	0.1	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	
New	Sales	6.0	<b>14.0</b>	<b>15.0</b>	<b>17.0</b>	We will continue to make investment in developing new solutions
	Profit	▲3.2	<b>▲2.6</b>	<b>▲2.7</b>	<b>▲2.5</b>	
(USD exchange rate)		(109.80)	(120.00)	(120.00)	(120.00)	

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# Corporate Profile

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◆ **Two spheres symbolizing the Earth and Globalism**

- Red is used to show Innovation, green represents Nature
- Expresses the Company's "lasting commitment to creating healthier and richer lives through food"

◆ **Incorporates the letters "W" "M" and "C" from the Company name**

< **Wisdom** > (Western knowledge)

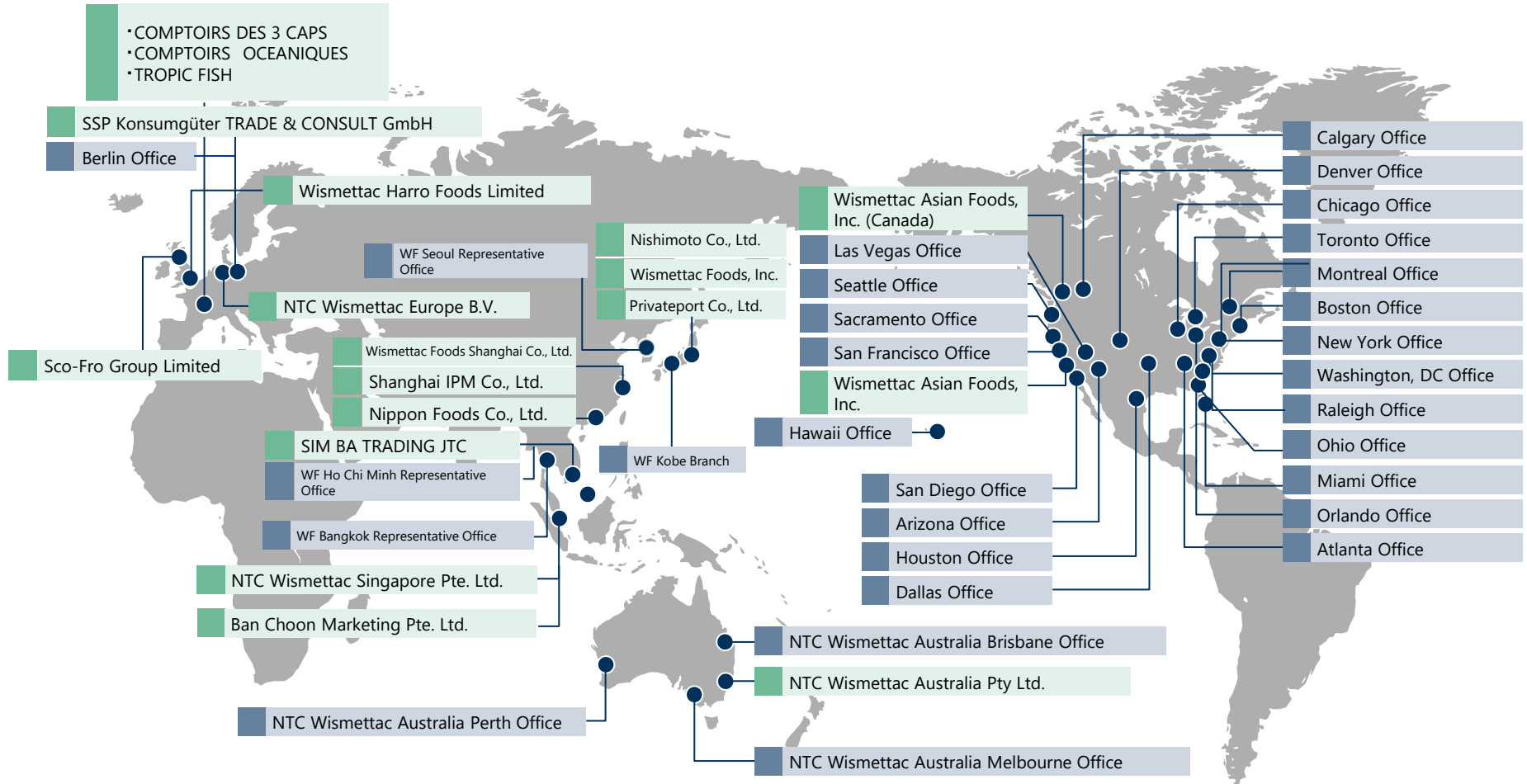
< **Metta** > (Eastern knowledge)  
(Metta means kindness or empathy in Pali, an ancient Indian language)

< **Creativity** > (Ability to create value)

**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.	
Head office	15 <sup>th</sup> Floor, Nihonbashi Muromachi Mitsui Tower, 3-2-1, Nihonbashi Muromachi, Chuo-ku, Tokyo	
Established	May 1912	
Representative directors	Yoshiro Susaki, Chairman & President CEO	
Number of employees	1,813 (including 1,507 in the Asian Food Global Business) [As of December 31, 2021]	
Business	<ul style="list-style-type: none"> <li>◆ Development and sales of Asian food worldwide</li> <li>◆ Imports and sales of fruit, vegetables and related processed products, and supply of food ingredients to food manufacturers and the restaurant sector</li> </ul>	
Subsidiaries and affiliates	23 subsidiaries, 1 affiliate [As of March 31, 2022]	
Business sites	44* <sup>1</sup> worldwide (including 24 in North America) Locations in Japan, the U.S., Canada, Singapore, Australia, Netherlands, U.K., Germany, France, China, Hong Kong, Thailand, Vietnam and South Korea <small>*<sup>1</sup> Figures after reviewing the definition of the number of business sites</small>	
Consolidated net sales	213.2 billion yen (FY ended December 2021)	* Overseas sales ratio 74.2%
Consolidated ordinary income	7.2 billion yen (FY ended December 2021)	
Shareholders' equity ratio	41.9% (FY ended December 2021)	

The Company Group maintains 44 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"

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