



Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending December 31, 2020  
(Japanese GAAP)

November 13, 2020

Company name: Nishimoto Co., Ltd. Listed exchange: Tokyo  
 Code: 9260 URL: <http://www.wismettac.com/>  
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 Scheduled date of filing of quarterly report: November 13, 2020  
 Scheduled date of commencement of dividend payments: —  
 Preparation of supplementary materials for quarterly financial results: Yes  
 Holding of quarterly financial results presentation meeting: No

(Amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the third quarter of the fiscal year ending December 31, 2020  
(from January 1, 2020 to September 30, 2020)

(1) Consolidated results of operations (cumulative) (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	%
Third quarter of FY ending December 31, 2020	124,389	(9.2)	55	(98.5)	(240)	—	363	(85.7)
Third quarter of FY ended December 31, 2019	137,049	1.1	3,571	(25.2)	3,674	(23.1)	2,548	(24.4)

(Note) Comprehensive income

Third quarter of FY ending December 31, 2020: (1,134) million yen (—%)

Third quarter of FY ended December 31, 2019: 1,402 million yen (–59.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
Third quarter of FY ending December 31, 2020	25.36	—
Third quarter of FY ended December 31, 2019	177.58	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2020 (FY 2020 3Q)	108,256	50,591	46.6
As of December 31, 2019 (FY 2019)	96,587	52,337	54.2

(Reference) Shareholders' equity

Third quarter of FY ending December 31, 2020: 50,397 million yen

FY ended December 31, 2019: 52,337 million yen

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended December 31, 2019	—	40.00	—	55.00	95.00
FY ending December 31, 2020	—	0.00	—	—	—
FY ending December 31, 2020 (Forecast)	—	—	—	—	—

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated financial results forecast for the fiscal year ending December 31, 2020  
(from January 1, 2020 to December 31, 2020)

(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
FY ending December 31, 2020	168,000	(8.0)	(600)	—	(1,000)	—	(500)	—	(34.84)

(Note) Revision to the forecast for financial results announced most recently: None

\* Notes

- (1) Changes in significant subsidiaries during the first nine months of the fiscal year: None  
(Changes in specified subsidiaries resulting in changes in the scope of consolidation)  
New – companies (Company name) / Excluded – company (Company name) –
- (2) Application of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) 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

(4) Number of shares outstanding (common stock)

(i) Number of shares outstanding at the end of the period (including treasury shares)	As of September 30, 2020	14,353,140 shares	December 31, 2019	14,353,140 shares
(ii) Number of treasury shares at the end of the period	As of September 30, 2020	112 shares	December 31, 2019	112 shares
(iii) Average number of shares during the period (nine months ended September 30, 2020)	As of September 30, 2020	14,353,028 shares	September 30, 2019	14,353,028 shares

\* These quarterly financial results are not subject to quarterly review procedures.

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

(Cautionary note on forward-looking statements, etc.)

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 "(3) Explanation of future forecasts such as consolidated financial results forecasts" under the chapter titled "1. Qualitative information on quarterly financial results" on the page 3 of the attachment.

(How to obtain the quarterly financial results supplementary materials)

The quarterly financial results supplementary materials will be disclosed on TDnet on November 13, 2020 and will also be posted on the Company's website.

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## 1. Qualitative information on quarterly financial results

### (1) Explanation of operating results

[Outline of the first nine months of the fiscal year]

This consolidated cumulative third quarter saw a tough situation where the novel coronavirus infection spread, and where emergency declarations and lockdowns have been invoked worldwide since March. From May onward, the restrictions on going out have been gradually eased in a step toward normalized economic activity. Whereas parts of regions are seeing signs that the spread of the infection is coming to an end, corporate business, especially in the tourism, restaurant and airline industries, have been significantly impacted by social distancing, restricted transnational movement, and reinstated restrictions on going out mainly in Europe and the U.S. due to the infection spreading again. As the economic outlook remains highly uncertain and the pace of recovery in consumer spending is also slow, it is expected to take a certain amount of time before economic activity returns to the level of the pre-pandemic era.

Also, in Japan, the economic activities of both individuals and corporations have been significantly constrained by travel restrictions to and from overseas countries since March, and by the emergency declaration invoked in April and May. Although the economy has gradually reopened with government-led stimulus measures, such as the "Go to Travel" and "Go to Eat" campaigns, underway after the lifting of the emergency declaration, the move toward the normalization of the economy still has a long way to go primarily due to a decline in business activity resulting from restrictions for the number of guests and spectators in venues, etc. as well as the cooling down of consumer spending mainly owing to the uncertainty of job security, and concerns over a surge of the infections.

Under these circumstances, the Company Group worked to maintain and expand its operating results by running two main businesses: the Asian Food Global Business that distributes Asian food products and ingredients such as Japanese food around the world with a focus on North America, as well as in Europe, China, South East Asia, Australia, etc., and the Agricultural & Seafood Products Trading Business that distributes fruits and vegetables, fishery products, etc., in domestic markets, as well as overseas markets through exports and offshore trading.

As for the Asian Food Global Business, the Company Group has been actively promoting a structural reform to continuously achieve sustainable and stable incomes from the North American region and an expansion of the business platform in regions outside of North America as one of our growth strategies. As for the Agricultural & Seafood Products Trading Business, the Company Group has been working on expanding sales to the wholesale market, which is the main distribution route, mass retailers, restaurant chains, home-meal replacement industries, etc. and overseas distribution routes (export of domestic fruits and vegetables, offshore trading in fruits and vegetables, wholesale business in China, etc.).

As a result, with respect to the financial results for this consolidated cumulative third quarter, the Company had net sales of 124,389 million yen (9.2% decrease year-on-year), operating income of 55 million yen (98.5% decrease year-on-year), ordinary losses of 240 million yen (ordinary income of 3,674 million yen in the same period of the previous year) and profit attributable to owners of parent of 363 million yen (85.7% decrease year-on-year).

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

[Outline of operating results by segment]

#### (i) Asian Food Global Business

In the Asian Food Global Business, for this consolidated cumulative third quarter, the Company had net sales of 84,729 million yen (11.1% decrease year-on-year) and operating losses of 113 million yen (operating income of 3,371 million yen in the same period of the previous year).

Since March, sales to the restaurant industry, which is the main customer of the Company Group, have fallen rapidly and significantly due to the worldwide lockdowns. Sales to the restaurant industry is in a moderate recovery trend after the gradual lifting of lockdowns in countries around the world mainly because increasing numbers of customers have restarted their business through adopting new business formats, such as take-out and delivery services. Nonetheless, the outlook remains uncertain. Although sales to retailers maintained steady growth after the lifting of lockdowns, the increase is not large enough to make up for the plunge of sales to the restaurant industry, resulting in net sales decreasing considerably. Profit fell sharply because of the recording of valuation loss on inventories with lowering profitability and the provision of allowance for doubtful accounts mainly for the North American region. This was despite our efforts to reduce SG&A, especially labor costs, by means of personnel reduction and temporary leave.

#### (ii) Agricultural & Seafood Products Trading Business

In the Agricultural & Seafood Products Trading Business, for the third quarter of the current consolidated fiscal year, the Company had net sales of 37,122 million yen (5.1% decrease year-on-year) and operating income of 577 million yen (18.0% increase year-on-year).

While sales of citrus fruits and imported vegetables will fall in line with significant decreases in demand in the restaurant industry due to the restrictions on going out and the invoking of the emergency declaration from March, sales prices have slumped because of oversupply. Net sales decreased mainly owing to delay in the recovery of demand in the restaurant industry although sales to retailers stayed strong after July on the back of increased demand for imported fruits and vegetables in the wake of the poor performance of domestic produce resulting from bad weather. Profit increased. The reasons are that domestically, our efforts to reduce SG&A and a stable market trend after July, and globally, continued strong sales in China.

(iii) Other businesses

In other businesses, for the third quarter of the current consolidated fiscal year, the Company had net sales of 2,537 million yen (4.4% decrease year-on-year) and operating income of 24 million yen (57.4% decrease year-on-year).

Despite growing sales of health-related products, net sales declined from the same period of the previous year due to sluggish growth in event goods sales. This resulted from department stores and other retailers refraining from business, the cancellation of various events and a drop in consumer spending due to the restrictions on going out and the invoking of the emergency declaration from March. Our profit declined because of the decrease of net sales despite our effort to reduce SG&A.

(2) Explanation of financial position

(Assets)

Total assets as of September 30, 2020 stood at 108,256 million yen, an increase of 11,669 million yen compared to December 31, 2019, and was mainly attributable to the following.

Total current assets as of September 30, 2020 amounted to 93,688 million yen, an increase of 5,727 million yen compared to December 31, 2019. The increase in total current assets was due to an increase of 11,743 million yen in cash and deposits, despite a decrease of 2,992 million yen in inventories, a decrease of 1,788 million yen in notes and accounts receivable—trade and an increase of 1,027 million yen in the allowance for doubtful accounts.

Total non-current assets as of September 30, 2020, came to 14,568 million yen, an increase of 5,941 million yen compared to December 31, 2019. The increase in total non-current assets, despite a decrease of 869 million yen in investments and other assets, was due to an increase of 6,782 million yen in goodwill.

(Liabilities)

Total liabilities as of September 30, 2020 stood at 57,665 million yen, an increase of 13,414 million yen compared to December 31, 2019, and was mainly attributable to the following.

Total current liabilities as of September 30, 2020, amounted to 20,545 million yen, an increase of 1,487 million yen compared to December 31, 2019. The increase in total current liabilities was due to an increase of 873 million yen in notes and accounts payable—trade, an increase of 678 million yen in short-term loans payable and an increase of 254 million yen in current portion of long-term loans payable, despite a decrease of 409 million yen in accounts payable—other.

Total non-current liabilities as of September 30, 2020 was 37,119 million yen (an increase of 11,927 million yen compared to December 31, 2019). The increase in total non-current liabilities is due to an increase of 11,061 million yen in long-term loans payable and an increase of 531 million yen in non-current liabilities, including derivative debts.

(Net assets)

Total net assets as of September 30, 2020 amounted to 50,591 million yen, a decrease of 1,745 million yen compared to December 31, 2019. The decrease in total net assets is mainly due to a decrease of 1,503 million yen in foreign currency translation adjustment and a decrease of 425 million yen in retained earnings.

(3) Explanation of future forecasts such as consolidated financial results forecasts

Forecasts of financial results for the fiscal year ending December 31, 2020 are described in the Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending December 31, 2020 (Japanese GAAP), published on August 13, 2020. The forecasts remain unchanged.

## 2. Quarterly consolidated financial statements and major notes

## (1) Quarterly consolidated balance sheet

(Millions of yen)

	FY 2019 (As of December 31, 2019)	Third quarter of FY 2020 (As of September 30, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	39,130	50,874
Notes and accounts receivable—trade	19,407	17,618
Inventories	26,672	23,680
Other	2,925	2,718
Allowance for doubtful accounts	(175)	(1,202)
Total current assets	87,960	93,688
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,609	2,518
Machinery, equipment and vehicles, net	438	442
Tools, furniture and fixtures, net	208	426
Leased assets, net	467	809
Other, net	186	235
Total property, plant and equipment	3,910	4,432
Intangible assets		
Goodwill	—	6,782
Software	417	357
Software in progress	12	425
Customer-related assets	330	—
Other	62	59
Total intangible assets	823	7,625
Investments and other assets		
Investment securities	1,164	294
Guarantee deposits	926	860
Deferred tax assets	1,092	1,255
Other	777	169
Allowance for doubtful accounts	(67)	(69)
Total investments and other assets	3,893	2,510
Total non-current assets	8,627	14,568
Total assets	96,587	108,256

(Millions of yen)

	FY 2019 (As of December 31, 2019)	Third quarter of FY 2020 (As of September 30, 2020)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable—trade	9,993	10,866
Short-term loans payable	2,890	3,568
Current portion of long-term loans payable	143	397
Lease obligations	206	257
Accounts payable—other	2,592	2,183
Income taxes payable	144	146
Provision for bonuses	641	679
Provision for directors' bonuses	137	69
Provision for shareholders' benefits	7	0
Other	2,301	2,374
<b>Total current liabilities</b>	<b>19,058</b>	<b>20,545</b>
Non-current liabilities		
Long-term loans payable	22,215	33,276
Lease obligations	265	547
Deferred tax liabilities	66	11
Provision for bonuses	—	62
Provision for directors' bonuses	58	—
Provision for directors' retirement benefits	645	665
Net defined benefit liability	1,527	1,609
Other	413	944
<b>Total non-current liabilities</b>	<b>25,191</b>	<b>37,119</b>
<b>Total liabilities</b>	<b>44,250</b>	<b>57,665</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,646	2,646
Capital surplus	6,531	6,531
Retained earnings	43,112	42,687
Treasury shares	(0)	(0)
<b>Total shareholders' equity</b>	<b>52,290</b>	<b>51,864</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8	2
Deferred gains or losses on hedges	6	2
Foreign currency translation adjustment	31	(1,471)
Remeasurements of defined benefit plans	0	0
<b>Total accumulated other comprehensive income</b>	<b>46</b>	<b>(1,467)</b>
Non-controlling interests	—	193
<b>Total net assets</b>	<b>52,337</b>	<b>50,591</b>
<b>Total liabilities and net assets</b>	<b>96,587</b>	<b>108,256</b>

## (2) Quarterly consolidated statements of income and comprehensive income

## Quarterly consolidated statement of income

First nine months ended September 30, 2020

	(Millions of yen)	
	First nine months of FY 2019 (January 1, 2019 to September 30, 2019)	First nine months of FY 2020 (January 1, 2020 to September 30, 2020)
Net sales	137,049	124,389
Cost of sales	113,294	103,772
Gross profit	23,755	20,616
Selling, general and administrative expenses	20,183	20,561
Operating income	3,571	55
Non-operating income		
Interest and dividend income	177	62
Share of profit of entities accounted for using equity method	21	—
Insurance benefits received	1	17
Reversal of allowance for doubtful accounts	7	4
Other	51	37
Total non-operating income	259	122
Non-operating expenses		
Interest expenses	87	134
Foreign exchange losses	67	275
Share of loss of entities accounted for using equity method	—	1
Other	0	6
Total non-operating expenses	155	417
Ordinary income or loss	3,674	(240)
Extraordinary income		
Marginal gain for gradual acquisition	—	779
Total extraordinary income	—	779
Extraordinary losses		
Impairment loss	—	199
Total extraordinary losses	—	199
Profit before income taxes	3,674	340
Income taxes—current	1,109	160
Income taxes—deferred	15	(192)
Total income taxes	1,125	(32)
Net income	2,548	373
Profit attributable to non-controlling interests	—	9
Profit attributable to owners of parent	2,548	363



## Quarterly consolidated statement of comprehensive income

First nine months ended September 30, 2020

(Millions of yen)

	First nine months of FY 2019 (January 1, 2019 to September 30, 2019)	First nine months of FY 2020 (January 1, 2020 to September 30, 2020)
Net income	2,548	373
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(6)
Deferred gains or losses on hedges	(1)	(4)
Foreign currency translation adjustment	(1,064)	(1,482)
Remeasurements of defined benefit plans	0	0
Share of other comprehensive income of entities accounted for using equity method	(79)	(13)
Total other comprehensive income	(1,146)	(1,507)
Comprehensive income	1,402	(1,134)
(Breakdown)		
Comprehensive income attributable to owners of parent	1,402	(1,148)
Comprehensive income attributable to non-controlling interests	—	14

### (3) Notes to the quarterly consolidated financial statements

(Notes to assumption of going concern)

No relevant items.

(Notes on significant changes in shareholders' equity)

No relevant items.

(Application of an accounting treatment specific to the preparation of the quarterly consolidated financial statements)

Calculation of tax expenses

The tax expenses of some of non-Japan consolidated subsidiaries were calculated by multiplying net income before taxes by an effective tax rate, which was estimated as the rate after the application of tax effect accounting to net income before taxes for the fiscal year including the third quarter of the fiscal year.

(Additional information)

(Accounting estimate associated with the novel coronavirus pandemic)

Lockdowns invoked worldwide against the novel coronavirus pandemic have caused rapid and significant falls in sales to the restaurant industry, which is the main customer of the Company Group. As the lockdowns were gradually lifted from May, take-out and delivery services have increased, and eating in restaurants has slowly recovered.

Meanwhile, sales to retailers maintained steady growth despite slowing as the lockdowns were lifted.

Under these circumstances, the Company Group provided an additional 853 million yen as an allowance for doubtful accounts in this consolidated cumulative third quarter in consideration of the worsening credit status of customers. The amount of allowance for doubtful accounts is determined according to the recoverability of the debt, taking into account the status of the debt being collected and circumstances of the major customer.

In consideration of the worsening market environment, in this consolidated cumulative third quarter, the Company Group recorded an additional 877 million yen as a valuation loss on inventories, which is included in the cost of sales. The amount of valuation loss on inventories is an estimate of future salability and records those items for which declines in profitability are expected.

In determining the recoverability of deferred tax assets, we have made an accounting estimate on the assumption that the economic situation will slowly recover and normalize by the first half of 2021.

It is uncertain when the novel coronavirus infection will cease and, if its impact lasts and the aforesaid assumption no longer holds, our future financial status and business performance may be affected.

(Segment information)

First nine months of the fiscal year (from January 1, 2019 to September 30, 2019)

## 1. Information related to net sales and profits/losses by reporting segment

(Millions of yen)

	Reporting segment			Total	Adjustment (Note 1)	Amounts recorded in the quarterly consolidated statement of income (Note 2)
	Asian Food Global Business	Agricultural & Seafood Products Trading Business	Other business			
Net sales						
Sales to external customers	95,266	39,129	2,653	137,049	—	137,049
Intersegment sales or transfers	6,631	24	—	6,655	(6,655)	—
Total	101,897	39,153	2,653	143,704	(6,655)	137,049
Segment profit	3,371	489	58	3,919	(348)	3,571

(Note) 1. "Adjustment" for segment profit in the amount of (348) million yen includes (1,396) million yen for elimination of intersegment transactions and 1,048 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. The segment profit is reconciled with the operating income on the Quarterly Consolidated Statement of Income.

## 2. Information related to impairment loss of non-current assets and goodwill by reporting segment

No relevant items.

First nine months of the fiscal year (from January 1, 2020 to September 30, 2020)

## 1. Information related to net sales and profits/losses by reporting segment

(Millions of yen)

	Reporting segment			Total	Adjustment (Note 1)	Amounts recorded in the quarterly consolidated statement of income (Note 2)
	Asian Food Global Business	Agricultural & Seafood Products Trading Business	Other business			
Net sales						
Sales to external customers	84,729	37,122	2,537	124,389	—	124,389
Intersegment sales or transfers	5,169	0	—	5,170	(5,170)	—
Total	89,898	37,123	2,537	129,559	(5,170)	124,389
Segment profit/loss	(113)	577	24	488	(433)	55

(Note) 1. "Adjustment" for segment profit in the amount of (433) million yen includes (1,403) million yen for elimination of intersegment transactions and 970 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. The segment profit or loss is reconciled with the operating income on the Quarterly Consolidated Statement of Income.

## 2. Information related to impairment loss of non-current assets and goodwill by reporting segment

(Important impairment loss associated with non-current assets)

Due to decreased profitability under the impact of the novel coronavirus pandemic, the amount recoverable from the business assets of a U.K. subsidiary in the import and wholesale business of Japanese foods and ingredients in the "Asian Food Global Business" segment is estimated to be zero and it has been recorded as an impairment loss.

Due to decreased profitability under the impact of the novel coronavirus pandemic, the book value of the business assets of a Hong Kong subsidiary in the import and wholesale business for Japanese foods and ingredients has been reduced to the recoverable amount and is recorded as an impairment loss. The recoverable amount is based on the net selling price.

The amount provided for such impairment loss is 199 million yen in this consolidated cumulative third quarter.

(Material fluctuation in goodwill)

In the "Asian Food Global Business" segment, we acquired additional stock of SSP Konsumgüter TRADE & CONSULT GmbH and COMPTOIRS DES 3 CAPS SAS, whereby they became consolidated subsidiaries instead of equity method affiliates. The

increase in goodwill attributable to these events is 6,782 million yen in this consolidated cumulative third quarter.

The goodwill is an amount calculated provisionally because the acquisition cost is not fully distributed in this consolidated financial third quarter.

(Business combinations)

Business combination by acquisition

A consolidate subsidiary of the Company, NTC Wismettac Europe B.V. (hereinafter referred to as "NTC EU"), acquired an additional 70% stake of common shares in COMPTOIRS DES 3 CAPS SAS (hereinafter referred to as "C3C"), an equity method affiliate, on July 1, 2020. As a result, C3C became a consolidated subsidiary of NTC EU.

(1) Outline of business combination

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

Name of the acquired company: COMPTOIRS DES 3 CAPS SAS

Business lines: Importing, processing and wholesaling of tuna and salmon (four of the Group's companies)

(ii) Main reasons for the business combination

NTC EU is importing and wholesaling Japanese foods, mainly in the Netherlands. It has decided to acquire an additional 70% of C3C, a French corporation which is an equity method affiliate of our Company and 20% of whose shares are held by NTC EU. C3C is the holding company for three subsidiaries, so NTC EU has a total of four group companies as consolidated subsidiaries.

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 Europe is a market with great growth potential over the medium to long term, before this transaction NTC EU acquired the equity method affiliate, SSP Konsumgüter TRADE & CONSULT GmbH (based in Germany; hereinafter referred to as "SSP") as a wholly owned subsidiary in February 2020 by additionally acquiring 80% of its shares.

This acquisition of shares by NTC EU enables us to group business units in three key countries in Europe, these being, Wismettac Harro Foods Ltd. in the U.K., SSP in Germany and (through this acquisition) C3C in France in order to establish a business base in Europe for the Asian Food Global Business, with a focus on Japanese foods.

(iii) Date of business combination

July 1, 2020

(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

Percentage share of voting rights owned before the business combination: 20%

Percentage share of voting rights additionally acquired at the date of business combination: 70%

Percentage share of voting rights after the acquisition: 90%

(vii) Main reason for deciding to acquire the company

As the Company Group acquired shares of C3C for cash

(2) The period of performance of the acquired company included in the quarterly consolidated statements of income and comprehensive income in the quarterly consolidated cumulative period

From July 1, 2020 to September 30, 2020

(3) Acquisition cost of the acquired company and breakdown

Market value of equity held before business combination as of the business combination date	1,236 million yen
Cash expended for additional acquisition	4,326 million yen
Acquisition cost	5,562 million yen

- (4) Difference between the acquisition cost for the acquired company and the total sum of acquisition costs of each transaction for acquisition
  - Gain on step acquisition: 455 million yen
- (5) Goodwill, reason for recognizing goodwill, amortization method and amortization period
  - (i) The amount of goodwill that occurred
    - 3,978 million yen
    - The above amount was provisionally calculated.
  - (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