

Making people's lives around the world richer through food



Nishimoto Co., Ltd.

---

---

**Financial Results Supplementary Materials for the  
Third Quarter of the Fiscal Year Ending December 2018**

---

---



November 14, 2018

- Summary of Financial Results for the Third Quarter of the Fiscal Year Ending December 2018 P. 2
- Forecasts of Operating Results for the Fiscal Year Ending December 2018 P. 6
- Policy for Returning Profits to Shareholders P. 9
- Medium-term Business Plan P. 11  
(Fiscal Year ending December 2018–Fiscal Year ending December 2020)

---

# Summary of Financial Results for the Third Quarter of the Fiscal Year Ending December 2018

---



- Net sales increased 5.1% year-on-year. Breaking down the major items, there was a 5.2% increase year-on-year in the Asian Food Global Business and a 4.6% increase in the Agricultural & Seafood Products Trading Business.
- Operating income for the Asian Food Global Business (excluding the North American region) and the Agricultural & Seafood Products Trading Business increased from the same period in the previous year, but operating income for the Asian Food Global Business in the North America region decreased. As a result, total operating income decreased 0.8% year-on-year.
- Quarterly net income increased 43.3% year-on-year due to a reduction in the U.S. corporate tax rate.

(Unit: billions of yen; percentage to net sales is stated in parentheses)

		FY ended December 2017	FY ending December 2018	
		First nine months results	First nine months results	Changes year-on-year
Results	Net sales	128.9 (100.0%)	135.5 (100.0%)	+5.1%
	Gross profit	22.0 (17.1%)	23.3 (17.2%)	+5.9%
	Operating income	4.8 (3.7%)	4.7 (3.5%)	-0.8%
	Ordinary income	4.4 (3.5%)	4.7 (3.5%)	+7.1%
	Net income attributable to owners of parent	2.3 (1.8%)	3.3 (2.5%)	+43.3%
Yen/Dollar exchange rate (Average rate during the period)		111.92 yen	109.61 yen	-2.31 yen
Quarterly net income per share *		188.55 yen	235.53 yen	+24.9%

\* The Company carried out a five-for-one common stock split on June 1, 2017. Quarterly net income per share was calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year. The average number of shares during the period for the calculation of the quarterly net income per share was 12,513,569 shares in the first 9 months of the fiscal year ended December 2017 (taking the stock split into consideration) and 14,353,082 shares in the first 9 months of the fiscal year ending December 2018.

## The Asian Food Global Business:

- Net sales increased 5.2% year-on-year due to the acquisition of new customers and the expansion of sales from existing customers in the North American region and other regions [a 4.4% increase year-on-year in North America (a 6.6% increase on a local currency basis) and a 10.3% increase year-on-year in other regions on a consolidated yen basis].
- Operating income decreased 15.1% year-on-year on the whole, reflecting the lower performance in North America compared to in the same period in the previous year. In regions other than North America, operating income increased on the same period in the previous year, hence the business base has expanded.

## The Agricultural &amp; Seafood Products Trading Business:

- Net sales increased 4.6% year-on-year, mainly due to the increase in exports and the arrangement of offshore trade. Net income also increased on the same period in the previous year due to the recovery this year in sales of citrus fruits for the domestic market and tropical foods, compared to in the previous year in which their sales had been sluggish.

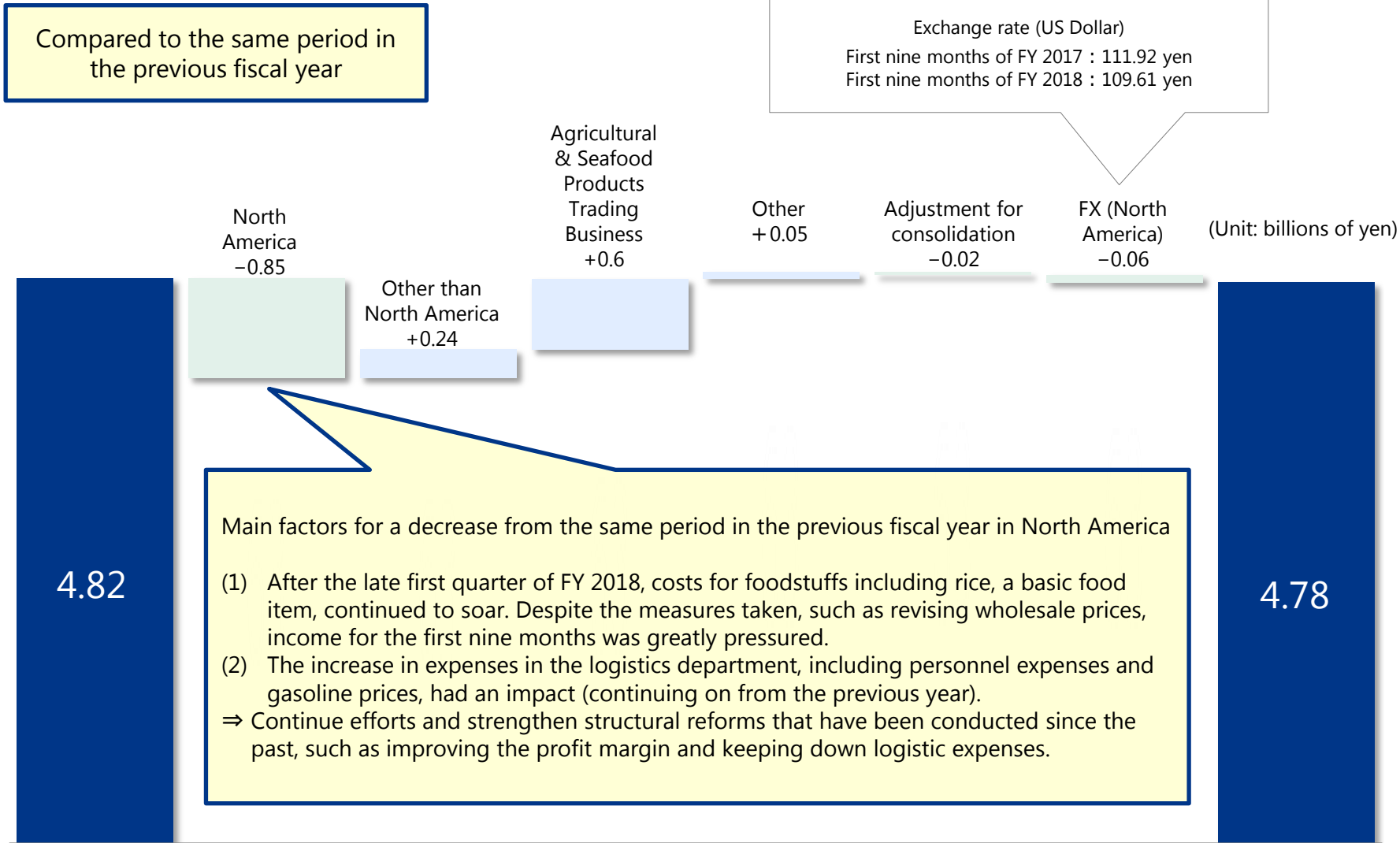
**Sales to external customers**

(Unit: billions of yen)

	FY ended December 2017 First nine months results	FY ending December 2018	
		First nine months results	Changes year-on-year
Asian Food Global Business	87.37	91.94	+5.2%
Agricultural & Seafood Products Trading Business	39.03	40.82	+4.6%
Other business	2.58	2.78	+7.7%
Total	128.99	135.54	+5.1%

**Operating income**

	FY ended December 2017 First nine months results	FY ending December 2018	
		First nine months results	Changes year-on-year
Asian Food Global Business	4.44	3.77	-15.1%
Agricultural & Seafood Products Trading Business	0.34	0.94	+176.1%
Other business	-0.00	0.04	—
Total	4.82	4.78	-0.8%



First nine months results  
for FY ended December  
2017

First nine months results  
for FY ending December  
2018

---

# Forecasts of Operating Results for the Fiscal Year Ending December 2018

---

\* The forecasts of operating results has not been changed from the figures released on February 14, 2018.



(Unit: billions of yen, percentage of net sales is stated in parentheses)

		FY ended December 2017 Full-year results	FY ending December 2018			
			First nine months results	Progress rate/ Difference between forecast and results	Full-year forecast	Changes year-on- year
Operating results	Net sales	172.0 (100.0%)	135.5 (100.0%)	73.3%	184.8 (100.0%)	+7.4%
	Gross profit	29.8 (17.3%)	23.3 (17.2%)	73.0%	31.9 (17.3%)	+7.1%
	Operating income	6.3 (3.7%)	4.7 (3.5%)	70.6%	6.7 (3.7%)	+7.1%
	Ordinary income	5.9 (3.4%)	4.7 (3.5%)	71.7%	6.6 (3.6%)	+12.9%
	Net income attributable to owners of parent	3.0 (1.8%)	3.3 (2.5%)	72.5%	4.6 (2.5%)	+52.1%
Group KPI	Percentage of North America (Net sales)	58.9%	—	—	57.3%	-1.6 pt
	Percentage of North America (Operating income)	78.6%	—	—	77.2%	-1.4 pt
	ROWC <sup>*1</sup>	20.3%	—	—	21.8%	+1.5 pt
Yen/Dollar exchange rate (Average rate during the period)		112.19 yen	109.61 yen	-0.39 yen	110.00 yen	-2.19 yen
Net income per share <sup>*2</sup>		236.37 yen	235.53 yen	—	324.98 yen	+37.5%

(\*1) Operating income for the current fiscal year / ([Working capital at the end of the previous fiscal year + Working capital at the end of the current fiscal year] / 2)

(\*2) The Company conducted a five-for-one common stock split on June 1, 2017. Net income per share was calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.



**Sales to external customers**

(Unit: billions of yen)

	FY ended December 2017	FY ending December 2018			
	Full-year results	First nine months results	Progress rate	Full-year forecast	Changes year-on-year
Asian Food Global Business	118.44	91.94	73.3%	125.43	+5.9%
Agricultural & Seafood Products Trading Business	49.64	40.82	74.4%	54.84	+10.5%
Other business	3.99	2.78	61.4%	4.53	+13.6%
<b>Total</b>	<b>172.07</b>	<b>135.54</b>	<b>73.3%</b>	<b>184.81</b>	<b>+7.4%</b>

**Operating income**

(Unit: billions of yen)

	FY ended December 2017	FY ending December 2018			
	Full-year results	First nine months results	Progress rate	Full-year forecast	Changes year-on-year
Asian Food Global Business	5.69	3.77	60.5%	6.24	+9.6%
Agricultural & Seafood Products Trading Business	0.43	0.94	121.9%	0.77	+79.0%
Other business	0.17	0.04	25.1%	0.19	+12.3%
Adjustment	0.01	0.01	—	-0.44	—
<b>Total</b>	<b>6.32</b>	<b>4.78</b>	<b>70.6%</b>	<b>6.77</b>	<b>+7.1%</b>

---

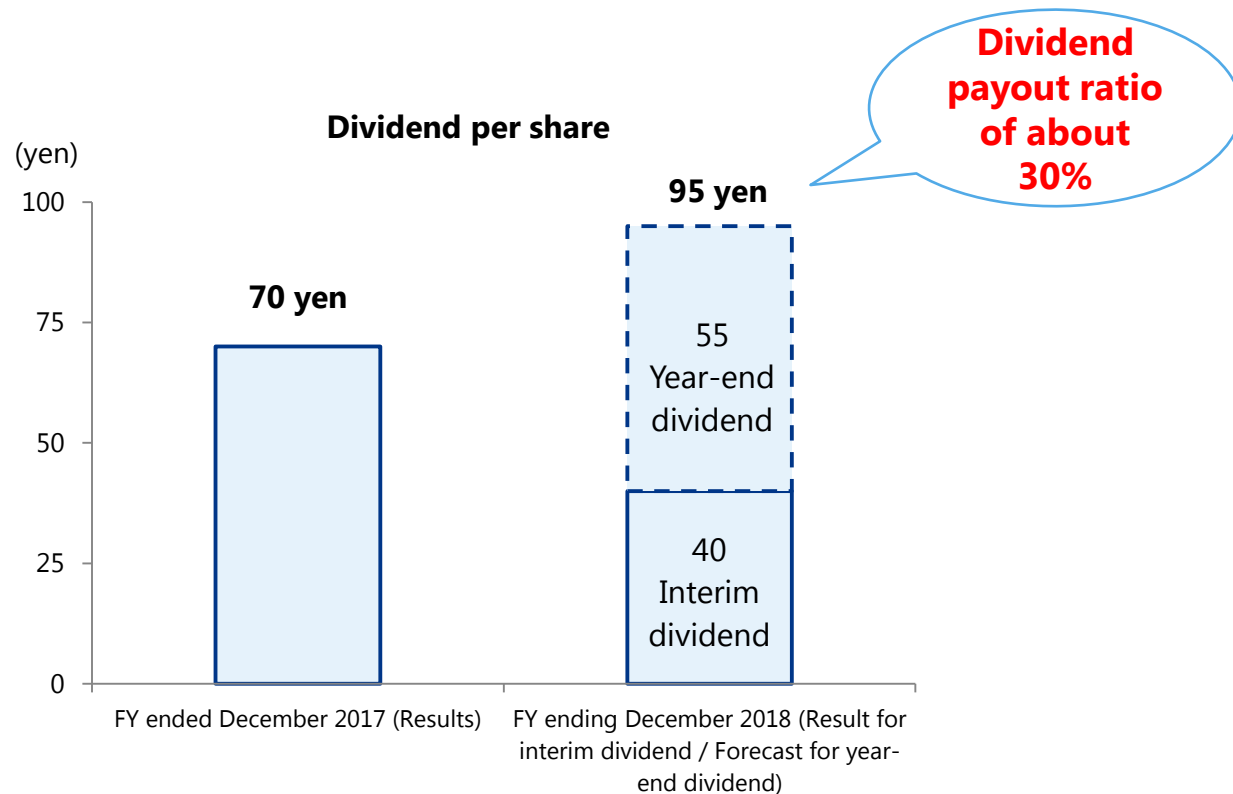
# Policy for Returning Profits to Shareholders

---



## Policy

- ◆ The Company's basic policy for returning profits to shareholders is to continue providing stable dividends while striving to maintain retained earnings to develop its businesses in the future and to improve its financial strength.
- ◆ The Company considers the dividend payout ratio to be an important index and aims to maintain a consolidated payout ratio of about 30% each year.
- ◆ *The annual dividend for the fiscal year ending December 2018 is forecast to be 95 yen (40 yen interim dividend and 55 yen forecast for the year-end dividend).*



---

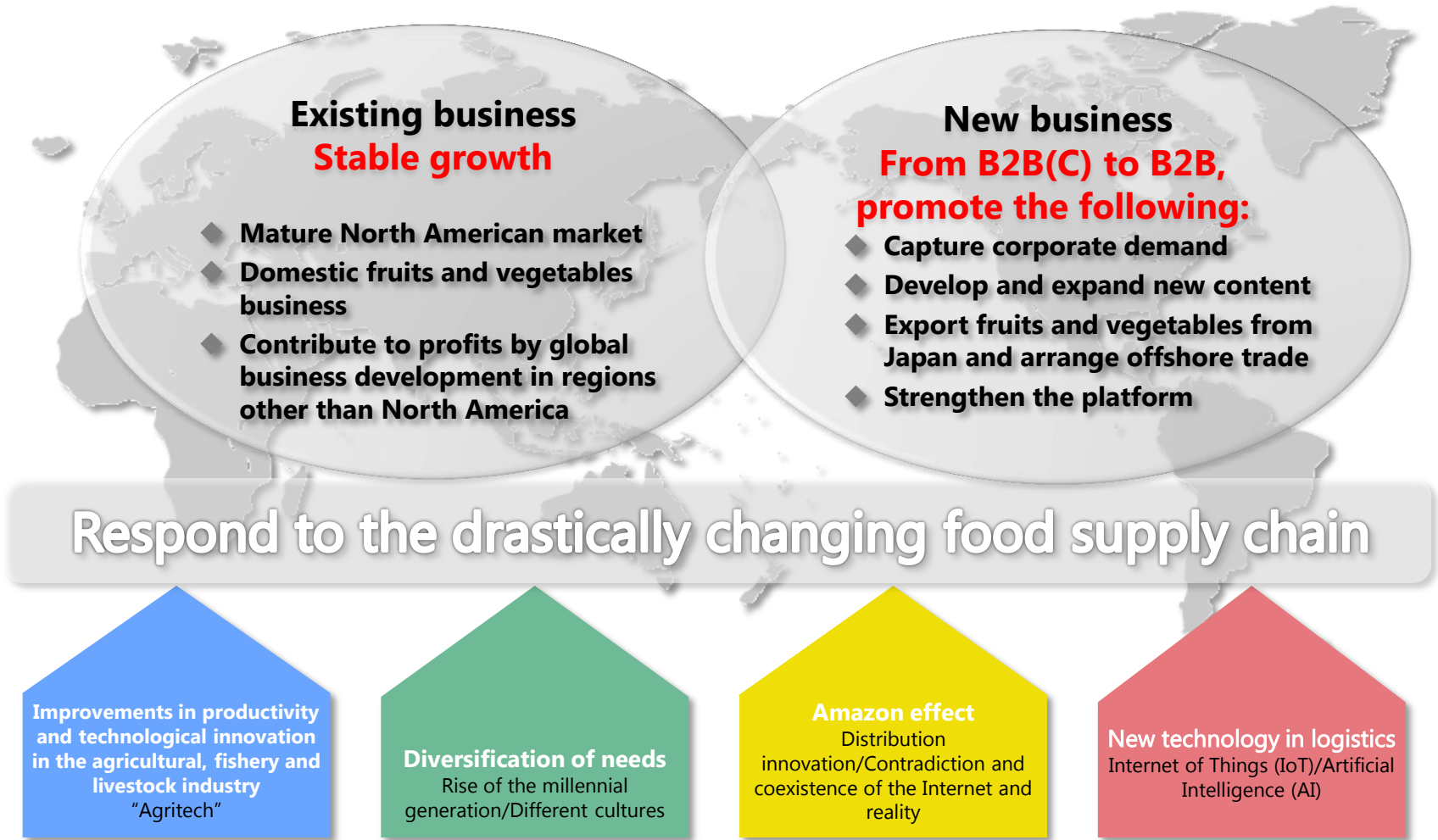
# Medium-term Business Plan

(Fiscal Year ending December 2018–Fiscal Year ending December 2020)

---



- ◆ On the premise of the stable growth of the existing businesses, urgent tasks are to build-up a “foundation” of the new businesses and to “cultivate” them



(Unit: billions of yen)

Net sales	FY ended December 2017 Results	FY ending December 2018		FY ending December 2019		FY ending December 2020	
		Forecast	Changes year-on-year	Plan	Changes year-on-year	Plan	Changes year-on-year
Asian Food Global Business	118.4	125.4	+5.9%	133.5	+6.5%	159.3	+19.3%
Agricultural & Seafood Products Trading Business	49.6	54.8	+10.5%	60.5	+10.4%	64.4	+6.5%
Other business	3.9	4.5	+13.6%	4.8	+6.6%	5.1	+6.5%
<b>Total</b>	<b>172.0</b>	<b>184.8</b>	<b>+7.4%</b>	<b>198.9</b>	<b>+7.6%</b>	<b>229.0</b>	<b>+15.1%</b>

(Unit: billions of yen)

Operating income	FY ended December 2017 Results	FY ending December 2018		FY ending December 2019		FY ending December 2020	
		Forecast	Changes year-on-year	Plan	Changes year-on-year	Plan	Changes year-on-year
Asian Food Global Business	5.6	6.2	+9.6%	6.7	+7.3%	7.7	+15.8%
Agricultural & Seafood Products Trading Business	0.4	0.7	+79.0%	0.9	+19.1%	1.0	+16.0%
Other business	0.1	0.1	+12.3%	0.2	+43.7%	0.3	+16.0%
Adjustment	0.0	-0.4	—	-0.1	—	-0.1	—
<b>Total</b>	<b>6.3</b>	<b>6.7</b>	<b>+7.1%</b>	<b>7.7</b>	<b>+14.6%</b>	<b>9.0</b>	<b>+16.1%</b>

Making people's lives around the world richer through food



# Wismettac

Nishimoto Co., Ltd.



## Disclaimer

These materials are intended to provide financial information and management information, etc., on Nishimoto Co., Ltd., and its affiliated companies (hereinafter collectively referred to as “the Company”), but the Company makes no representation or warranty regarding the content of these materials.

The plans, strategies, operating results forecasts, etc., of the Company in these materials may include information on forward-looking statements, which are based on information currently available to the Company, and include risks and uncertain elements in relation to economic trends, competition in the industry, market demand, foreign exchange rates, the taxation system, various other systems, etc. Therefore, actual operating results that will be published in the future may differ due to these elements, and the Company does not assume any liability for any damages arising from the use of information in these materials. Furthermore, the Company is under no obligation to revise and publish future forecasts in these materials based on new information or future events.

The Company pays close attention to accuracy when preparing these materials; however, if there are any errors in the information presented, falsification of data by a third party, or any failure arising from download of data, etc., the Company does not assume any liability for any damages caused by such actions for any reason whatsoever. We appreciate your understanding regarding this matter.

The information in these materials is not intended to solicit investments. When any investment is actually made, please refrain from completely relying on the information in these materials to make an investment decision and instead make the decision based on your own judgment.

Contact

Management Planning Department  
Nishimoto Co., Ltd.  
TEL: 03-6870-2015

