

# News Release

March 23, 2018

Nishimoto Co., Ltd.

(1<sup>st</sup> section of the Tokyo Stock Exchange, local code 9260)

Wismettac Foods, Inc. Achieves Initial Sales Target of 100 Million Yen for New Export Business Featuring Domestic Kodama (Small) Apples (Brand Name: SUGOI)

We would like to announce that our subsidiary, Wismettac Foods, Inc. (“WF”—Head office: Nihonbashi, Tokyo, President Hiroshi Tsujikawa) has achieved its goal of 100 million yen in export sales for its new business featuring domestic Kodama (small) apples (Brand name: SUGOI), in the first season (November 2017 to March 2018).

## 1. Backdrop

Fruits domestically grown in Japan are popular as high-quality and delicious produce in Southeast Asia and are especially sought after by wealthy local consumers. Apples are especially popular in high-income brackets of Taiwan and Hong Kong. However, the quantity of Japanese apple exports had plummeted between September 2016 and August 2017, reaching only 76% of the previous year’s level (research by the Aomori Apple Export Council).

For this reason, WF, joined hands with the National Federation of Agricultural Cooperative Associations, Aomori Headquarters (JA ZEN-NOH Aomori) and the Tsugaru-Mirai Agricultural Cooperative Association (JA Tsugaru-Mirai) to develop new markets. With the concept of “Easy to Buy” apples, middle-class consumers in Southeast Asia were targeted. Kodama (small) apples are affordable, high-quality produce. Once the distribution channel was determined, a brand name expressing the apple’s traits, SUGOI, was coined and an overseas sales trial launched.

SUGOI is a Japanese word, which includes “excellent,” “astonishing” and “very good” among its meanings. These apples were particularly well received in Thailand as an [Extremely Delicious Apple] brand. The Kodama (small) apple harvest/sales season is

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set for November to April. Exports to Thailand started in December 2017, and have reached a total sales weight of 85,000 kilograms this season. This accounts for approximately 40% of all Japanese apples in Thailand (our company estimate is based on customs statistics).

In addition to exports to Taiwan and Hong Kong, we have also started exporting apples to Singapore, Malaysia and Cambodia. As a result, this season resulted in 100 million yen in sales, the amount of our initial sales target.

With the trial sales results, WF will boost its collaboration efforts with JA ZEN-NOH Aomori and JA Tsugaru-Mirai to expand sales from next year onward.

### 2. Future forecast

From next year onward, plans have been made further expand the business to a scale of around one billion yen in the next few years.

Furthermore, we forecast that this operation will have only slightly effect the 2018 December consolidated results.

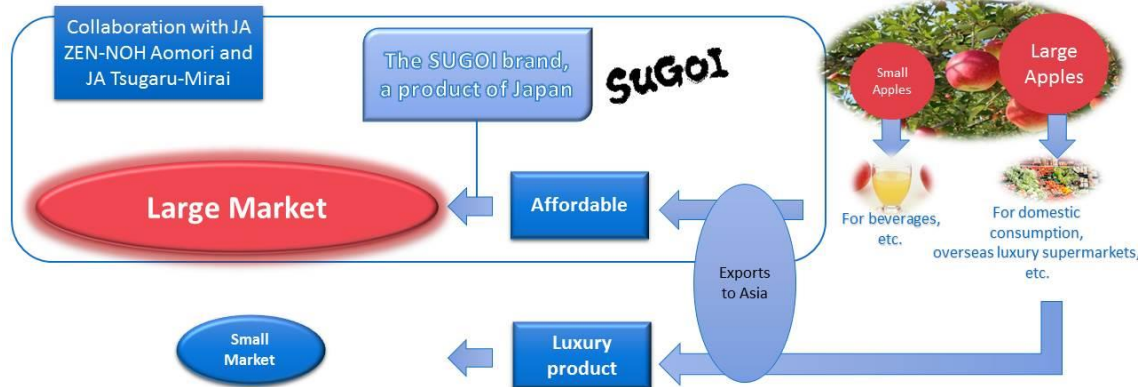
### 3. Overview of WF

- (1) Company name: Wismettac Foods, Inc.
- (2) Head office: 3-10-5, Nihonbashi, Chuo-ku, Tokyo
- (3) Representative: President Hiroshi Tsujikawa
- (4) Paid-up capital: 30,000,000 yen
- (5) Principal stockholders: 100% Nishimoto Co., Ltd.
- (6) Company business: Domestic/overseas sales of agricultural/seafood produce  
(Agricultural & Seafood Products Trading Business)

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<Reference>

Overview of the Kodama (small) Apple export project



[Contact information for inquiries]

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