

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended May 31, 2024
(Based on Japanese GAAP)**

July 9, 2024

Company name: WARABEYA NICHIO HOLDINGS CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 2918 URL <https://www.warabeya.co.jp/ja/index.html>
 Representative: Representative Director, President Hideo Tsuji
 Inquiries: Director, Senior Managing Executive Officer Naoshi Asano TEL 03-5363-7010
 Scheduled date to file Quarterly Securities Report: July 10, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended May 31, 2024 (from March 1, 2024 to May 31, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended May 31, 2024	54,720	9.9	2,219	(6.3)	2,378	(1.6)	1,494	(0.0)
Three months ended May 31, 2023	49,786	5.0	2,369	39.9	2,416	45.7	1,494	17.6

(Note) Comprehensive income: Three months ended May 31, 2024: ¥2,418 million [61.9%]
 Three months ended May 31, 2023: ¥1,494 million [(12.6%)]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended May 31, 2024	85.59		–	
Three months ended May 31, 2023	85.60		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2024	112,567	55,935	48.6
As of February 29, 2024	101,960	54,309	52.3

(Reference) Equity capital: As of May 31, 2024: ¥54,751 million
 As of February 29, 2024: ¥53,300 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 29, 2024	–	45.00	–	45.00	90.00
Year ending February 28, 2025	–	–	–	–	–
Year ending February 28, 2025 (Forecast)	–	45.00	–	45.00	90.00

(Note) Revisions to the most recently announced dividends forecasts: None

3. Forecast of consolidated financial results for the year ending February 28, 2025 (from March 1, 2024 to February 28, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 31, 2024	117,000	13.6	4,200	(6.5)	4,450	(8.5)	2,750	(0.3)	157.47
Full year	230,000	11.1	4,500	(29.5)	4,700	(31.1)	2,800	(34.5)	160.33

(Note) Revisions to the most recently announced dividends forecasts: None

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 31, 2024
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 2024	17,625,660 shares	As of February 29, 2024	17,625,660 shares
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Number of treasury shares at the end of the period

As of May 31, 2024	161,475 shares	As of February 29, 2024	161,475 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2024	17,464,185 shares	Three months ended May 31, 2023	17,464,276 shares
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(Note) The Company has established a BIP Trust. Shares of the Company held by the trust are included in treasury shares.

- * This financial summary document is outside the scope of quarterly review conducted by certified public accountants or an audit corporation.
- * Explanation of appropriate use of forecasts of financial results, and other important items:
 Financial forecasts and other forward-looking statements in this document are based on information available at the time of preparation and on certain assumptions that are deemed to be reasonable. These forward-looking statements are not guarantees of future performance and actual results may differ materially from these forecasts due to a variety of reasons.

Quarterly consolidated financial statements
(1) Consolidated balance sheets

(Millions of yen)

	As of February 29, 2024	As of May 31, 2024
Assets		
Current assets		
Cash and deposits	8,122	7,105
Accounts receivable - trade	17,113	19,576
Merchandise and finished goods	1,805	1,965
Raw materials and supplies	1,962	2,265
Other	2,302	3,193
Allowance for doubtful accounts	(0)	—
Total current assets	31,306	34,105
Non-current assets		
Property, plant and equipment		
Buildings and structures	66,357	68,574
Accumulated depreciation	(35,413)	(36,208)
Buildings and structures, net	30,943	32,366
Machinery, equipment and vehicles	21,363	24,071
Accumulated depreciation	(16,044)	(16,499)
Machinery, equipment and vehicles, net	5,319	7,571
Land	12,814	13,231
Construction in progress	2,925	4,063
Other	14,949	15,876
Accumulated depreciation	(6,320)	(6,092)
Other, net	8,628	9,783
Total property, plant and equipment	60,632	67,015
Intangible assets		
Other	847	2,150
Total intangible assets	847	2,150
Investments and other assets		
Other	9,287	9,407
Allowance for doubtful accounts	(114)	(112)
Total investments and other assets	9,173	9,295
Total non-current assets	70,653	78,461
Total assets	101,960	112,567

(Millions of yen)

	As of February 29, 2024	As of May 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,730	10,262
Current portion of long-term borrowings	768	913
Accounts payable - other	7,875	7,211
Income taxes payable	487	919
Provision for bonuses	1,347	2,112
Provision for bonuses for directors (and other officers)	–	38
Other	2,916	3,522
Total current liabilities	22,126	24,980
Non-current liabilities		
Long-term borrowings	11,037	15,939
Lease liabilities	8,161	9,234
Retirement benefit liability	4,075	4,121
Provision for Directors stock-based rewards	270	278
Asset retirement obligations	1,582	1,626
Other	397	450
Total non-current liabilities	25,524	31,650
Total liabilities	47,650	56,631
Net assets		
Shareholders' equity		
Share capital	8,049	8,049
Capital surplus	8,100	8,100
Retained earnings	35,519	36,221
Treasury shares	(335)	(335)
Total shareholders' equity	51,333	52,036
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	291	247
Deferred gains or losses on hedges	5	6
Foreign currency translation adjustment	1,589	2,357
Remeasurements of defined benefit plans	80	104
Total accumulated other comprehensive income	1,966	2,715
Non-controlling interests	1,008	1,184
Total net assets	54,309	55,935
Total liabilities and net assets	101,960	112,567

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

(Millions of yen)

	Three months ended May 31, 2023	Three months ended May 31, 2024
Net sales	49,786	54,720
Cost of sales	40,027	44,377
Gross profit	9,759	10,342
Selling, general and administrative expenses	7,389	8,123
Operating profit	2,369	2,219
Non-operating income		
Interest income	5	3
Dividend income	2	138
Rental income	57	53
Foreign exchange gains	33	38
Share of profit of entities accounted for using equity method	16	19
Other	42	35
Total non-operating income	158	289
Non-operating expenses		
Interest expenses	32	77
Loss on retirement of non-current assets	12	2
Rental costs	42	45
Other	23	4
Total non-operating expenses	111	129
Ordinary profit	2,416	2,378
Extraordinary losses		
Impairment losses	112	54
Total extraordinary losses	112	54
Profit before income taxes	2,303	2,324
Income taxes - current	681	973
Income taxes - deferred	94	(248)
Total income taxes	776	724
Profit	1,527	1,600
Profit attributable to non-controlling interests	32	105
Profit attributable to owners of parent	1,494	1,494

Consolidated statements of comprehensive income

(Millions of yen)

	Three months ended May 31, 2023	Three months ended May 31, 2024
Profit	1,527	1,600
Other comprehensive income		
Valuation difference on available-for-sale securities	(17)	(44)
Deferred gains or losses on hedges	9	1
Foreign currency translation adjustment	(64)	757
Remeasurements of defined benefit plans, net of tax	8	23
Share of other comprehensive income of entities accounted for using equity method	31	80
Total other comprehensive income	(32)	818
Comprehensive income	1,494	2,418
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,455	2,243
Comprehensive income attributable to non-controlling interests	38	175

(3) Segment information, etc.

[Segment information]

I. Three months ended May 31, 2023 (from March 1, 2023 to May 31, 2023)

Sales and profits or losses by reportable segments

(Millions of Yen)

	Reportable segments				Other (Note 1)	Total	Adjustment (Note 2)	Carried on quarterly consolidated statements of income (Note 3)
	Food Production Businesses	Food Materials Businesses	Logistics Businesses	Total				
Net sales								
Sales to external customers	43,777	2,694	3,271	49,743	43	49,786	–	49,786
Intersegment sales and transfers	–	80	1,277	1,358	–	1,358	(1,358)	–
Total	43,777	2,775	4,549	51,102	43	51,145	(1,358)	49,786
Segment profit (loss)	2,300	52	216	2,569	(12)	2,557	(188)	2,369

- Notes: 1. The classification “Other” is the segment of businesses not included in the reportable segments, and includes Food Plant and Equipment, Design and Development Business.
2. The adjustment of (188) million yen under the item of “Segment profit (loss)” includes an elimination of intersegment transactions of (18) million yen, as well as corporate expenses of (169) million yen, which are not allocated to the reportable segments.
3. Segment profit (loss) is adjusted to reflect operating profit as recorded on the quarterly consolidated statements of income.

II. Three months ended May 31, 2024 (from March 1, 2024 to May 31, 2024)

1. Sales and profits or losses by reportable segments

(Millions of Yen)

	Reportable segments				Adjustment (Note 1)	Carried on quarterly consolidated statements of income (Note 2)
	Food Production Businesses	Food Materials Businesses	Logistics Businesses	Total		
Net sales						
Sales to external customers	48,804	2,719	3,196	54,720	–	54,720
Intersegment sales and transfers	–	96	1,442	1,538	(1,538)	–
Total	48,804	2,815	4,638	56,258	(1,538)	54,720
Segment profit (loss)	2,185	59	206	2,451	(232)	2,219

- Notes: 1. The adjustment of (232) million yen under the item of “Segment profit (loss)” includes an elimination of intersegment transactions of 59 million yen, as well as corporate expenses of (291) million yen, which are not allocated to the reportable segments.
2. Segment profit (loss) is adjusted to reflect operating profit as recorded on the quarterly consolidated statements of income.

2. Matters regarding changes in reportable segments

The Food Plant and Equipment, Design and Development Businesses, which was included in "Other" in the first quarter of the previous fiscal year, has been discontinued from the first quarter of the current fiscal year following the Company's withdrawal from this business.

(Revenue Recognition)

1. Revenue from contracts with customers

Three months ended May 31, 2023 (from March 1, 2023 to May 31, 2023)

(Millions of Yen)

	Reportable segments				Other (Note)	Total
	Food Production Businesses	Food Materials Businesses	Logistics Businesses	Total		
Japan	40,704	2,694	3,271	46,671	43	46,714
U.S.	3,047	–	–	3,047	–	3,047
Other	24	–	–	24	–	24
Revenue from contracts with customers	43,777	2,694	3,271	49,743	43	49,786
Other revenue	–	–	–	–	–	–
Sales to external customers	43,777	2,694	3,271	49,743	43	49,786

Note: The classification “Other” is the segment of businesses not included in the reportable segments, and includes Food Plant and Equipment, Design and Development Business.

Three months ended May 31, 2024 (from March 1, 2024 to May 31, 2024)

(Millions of Yen)

	Reportable segments			Total
	Food Production Businesses	Food Materials Businesses	Logistics Businesses	
Japan	42,045	2,719	3,196	47,962
U.S.	6,758	–	–	6,758
Revenue from contracts with customers	48,804	2,719	3,196	54,720
Other revenue	–	–	–	–
Sales to external customers	48,804	2,719	3,196	54,720

2. Matters regarding changes in reportable segments

The Food Plant and Equipment, Design and Development Businesses, which was included in "Other" in the first quarter of the previous fiscal year, has been discontinued from the first quarter of the current fiscal year following the Company's withdrawal from this business.