

# Summary of Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending February 29, 2016

[Prepared under Japanese GAAP, (UNAUDITED)]

July 1, 2015

Name of listed company: WARABEYA NICHIO CO., LTD. Listed on: Tokyo Stock Exchange, 1st Section  
Securities code: 2918 URL: <http://www.warabeya.co.jp/>  
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Scheduled date of filing the quarterly securities report: July 2, 2015  
Scheduled date of payment of dividends: —  
Supplementary documents for this summary of quarterly results: None  
Quarterly results briefing: None

(Figures shown are rounded down to the nearest million yen.)

## 1. Consolidated financial results for the first quarter of the year ending February 29, 2016

(March 1, 2015– May 31, 2015)

### (1) Consolidated operating results

(Percentage figures show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
First quarter ended May 31, 2015	52,776	4.8	1,298	15.8	1,313	12.4	1,073	58.6
First quarter ended May 31, 2014	50,356	13.0	1,121	(5.8)	1,168	(0.5)	676	(3.1)

(Note) Comprehensive income: First quarter ended May 31, 2015: ¥1,138 million (up 70.5%)  
First quarter ended May 31, 2014: ¥667 million (down 14.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
First quarter ended May 31, 2015	60.93	—
First quarter ended May 31, 2014	38.43	—

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
As of May 31, 2015	82,583	41,496	50.2
As of February 28, 2015	77,117	41,210	53.4

(Reference) Equity capital: As of May 31, 2015: ¥41,496 million  
As of February 28, 2015: ¥41,210 million

## 2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2015	—	0.00	—	35.00	35.00
Year ending February 29, 2016	—				
Year ending February 29, 2016 (forecast)		0.00	—	40.00	40.00

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

## 3. Consolidated financial forecasts for the fiscal year ending February 29, 2016

(March 1, 2015 – February 29, 2016)

(Percentage figures show changes from the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First half	110,000	6.4	3,000	9.3	3,150	4.3	2,100	18.2	119.22
Full year	215,000	6.6	4,500	8.8	4,600	2.2	2,900	4.5	164.64

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

## Notes

### (1) Significant changes in subsidiaries during the term

(Transfers of specific subsidiaries with changes in the scope of consolidation): None

Newly consolidated: – Excluded: –

### (2) Application of specified accounting methods for the preparation of quarterly consolidated financial statements: None

### (3) Changes in accounting policies, accounting estimates and restatement of revisions

1) Changes in accounting policies due to revisions of accounting standards, etc.: Yes

2) Changes in accounting policies other than 1: None

3) Changes in accounting estimates: None

4) Restatement of revisions: None

### (4) Number of outstanding shares (common stock):

1) Number of shares outstanding (including treasury stock)	As of May 31, 2015	17,625,660 shares	As of February 28, 2015	17,625,660 shares
2) Number of treasury stock	As of May 31, 2015	11,346 shares	As of February 28, 2015	11,326 shares
3) Average number of shares outstanding in each period	First quarter ended May 31, 2015	17,614,321 shares	First quarter ended May 31, 2014	17,614,434 shares

### \*Status of execution of the quarterly review of financial statements:

This quarterly financial summary is not subject to the quarterly review procedure based on the Financial Instruments and Exchange Act. As of the time of disclosure, this review procedure for quarterly financial statements had not been completed.

### \* Explanations and other special notes concerning the appropriate use of financial forecasts:

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.

# 1. Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheets

(Millions of Yen)

	As of February 28, 2015	As of May 31, 2015
Assets		
Current assets		
Cash and deposits	8,846	7,176
Notes and accounts receivable–trade	17,403	20,814
Merchandise and finished goods	2,985	3,123
Raw materials and supplies	867	1,043
Other	2,634	3,595
Allowance for doubtful accounts	(129)	(128)
Total current assets	32,607	35,624
Fixed assets		
Tangible fixed assets		
Buildings and structures	43,718	44,567
Accumulated depreciation	(26,350)	(26,719)
Buildings and structures, net	17,367	17,848
Machinery, equipment and vehicles	18,550	19,589
Accumulated depreciation	(13,371)	(13,237)
Machinery, equipment and vehicles, net	5,179	6,352
Land	12,382	12,382
Construction in progress	514	27
Other	7,978	9,045
Accumulated depreciation	(3,885)	(3,956)
Other, net	4,093	5,088
Total tangible fixed assets	39,537	41,699
Intangible assets		
Other	580	653
Total intangible assets	580	653
Investments and other assets		
Other	4,393	4,609
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	4,391	4,606
Total fixed assets	44,509	46,959
Total assets	77,117	82,583

	(Millions of Yen)	
	As of February 28, 2015	As of May 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable–trade	10,978	12,742
Short-term loans payable	100	—
Current portion of long-term loans payable	1,120	1,005
Accounts payable–other	9,174	9,624
Accrued income taxes	968	495
Provision for bonuses	860	1,319
Provision for directors’ bonuses	—	35
Other	2,851	4,893
Total current liabilities	26,053	30,116
Long-term liabilities		
Long-term loans payable	3,200	2,975
Provision for retirement benefits	2,167	2,546
Asset retirement obligations	1,011	1,051
Other	3,474	4,396
Total long-term liabilities	9,853	10,970
Total liabilities	35,906	41,087
Net assets		
Shareholders’ equity		
Common stock	8,049	8,049
Capital surplus	8,143	8,143
Retained earnings	24,704	24,926
Treasury stock	(17)	(17)
Total shareholders’ equity	40,881	41,102
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	166	207
Deferred gains or losses on hedges	18	43
Foreign currency translation adjustment	138	135
Remeasurements of defined benefit plans	5	7
Total accumulated other comprehensive income	329	394
Total net assets	41,210	41,496
Total liabilities and net assets	77,117	82,583

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly consolidated statements of income

	(Millions of Yen)	
	First quarter ended May 31, 2014	First quarter ended May 31, 2015
Net sales	50,356	52,776
Cost of sales	43,006	45,113
Gross profit	7,350	7,662
Selling, general and administrative expenses	6,228	6,364
Operating income	1,121	1,298
Non-operating income		
Interest income	2	3
Dividends income	4	1
Rent income	55	52
Other	73	26
Total non-operating income	136	84
Non-operating expenses		
Interest expenses	25	21
Cost of lease revenue	39	35
Other	24	13
Total non-operating expenses	89	70
Ordinary income	1,168	1,313
Income before income taxes	1,168	1,313
Current income taxes	669	578
Deferred income taxes	(177)	(338)
Total income taxes	491	239
Income before minority interests	676	1,073
Net income	676	1,073

Quarterly consolidated statements of comprehensive income

(Millions of Yen)

	First quarter ended May 31, 2014	First quarter ended May 31, 2015
Income before minority interests	676	1,073
Other comprehensive income		
Valuation difference on available-for-sale securities	12	41
Deferred gains or losses on hedges	1	24
Foreign currency translation adjustment	(22)	(3)
Remeasurements of defined benefit plans, net of tax	—	2
Total other comprehensive income	(9)	64
Comprehensive income	667	1,138
(Breakdown of comprehensive income)		
Parent company portion of comprehensive income	667	1,138

(3) Segment information, etc.

[Business segment information]

I. First quarter ended May 31, 2014 (March 1, 2014– May 31, 2014)

1. Sales and profits or losses by reportable segments

(Millions of Yen)

	Reportable segments				Other (Note 1*)	Total	Adjustment (Note 2*)	Carried on quarterly consolidated financial statements (Note 3*)
	Food Products Business	Food Ingredients Business	Logistics Business	Total				
Net sales								
Sales to external customers	38,656	6,047	3,230	47,934	2,422	50,356	—	50,356
Intersegment sales and transfers	—	479	787	1,267	6,688	7,955	(7,955)	—
Total	38,656	6,527	4,017	49,201	9,110	58,312	(7,955)	50,356
Segment income (loss)	750	56	116	923	298	1,221	(100)	1,121

- Notes: 1. The “Other” column indicates businesses not included in the reportable segments, such as the sales of food production facilities, temporary staffing, and outsourcing of operations.
2. The adjustment of (100) million yen under the item of “Segment income” is an elimination of intersegment transactions.
3. Segment income is adjusted to reflect operating income as recorded on the quarterly consolidated statements of income.

II. First quarter ended May 31, 2015 (March 1, 2015– May 31, 2015)

1. Sales and profits or losses by reportable segments

(Millions of Yen)

	Reportable segments				Other (Note 1*)	Total	Adjustment (Note 2*)	Carried on quarterly consolidated financial statements (Note 3*)
	Food Products Business	Food Ingredients Business	Logistics Business	Total				
Net sales								
Sales to external customers	40,668	6,329	3,477	50,475	2,301	52,776	—	52,776
Intersegment sales and transfers	—	597	896	1,493	5,563	7,057	(7,057)	—
Total	40,668	6,926	4,373	51,969	7,864	59,833	(7,057)	52,776
Segment income (loss)	827	118	139	1,085	316	1,402	(103)	1,298

- Notes: 1. The “Other” column indicates businesses not included in the reportable segments, such as the sales of food production facilities, temporary staffing, and outsourcing of operations.
2. The adjustment of (103) million yen under the item of “Segment income” is an elimination of intersegment transactions.
3. Segment income is adjusted to reflect operating income as recorded on the quarterly consolidated statements of income.