

Summary of Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending February 28, 2015

[Prepared under Japanese GAAP, (UNAUDITED)]

January 7, 2015

Name of listed company: WARABEYA NICHIO CO., LTD. Listed on: Tokyo Stock Exchange, 1st Section
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 Scheduled date of filing the quarterly securities report: January 8, 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 three quarters of the year ending February 28, 2015

(March 1, 2014– November 30, 2014)

(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	%
Three quarters ended November 30, 2014	153,184	8.3	3,706	(0.5)	4,020	1.7	2,435	2.4
Three quarters ended November 30, 2013	141,381	6.7	3,726	(0.6)	3,954	0.1	2,378	13.6

(Note) Comprehensive income: Three quarters ended November 30, 2014: ¥2,558 million (up 2.0%)

Three quarters ended November 30, 2013: ¥2,508 million (up 20.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three quarters ended November 30, 2014	138.29	—
Three quarters ended November 30, 2013	135.05	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
As of November 30, 2014	78,782	40,790	51.8
As of February 28, 2014	71,104	38,848	54.6

(Reference) Equity capital: As of November 30, 2014: ¥40,790 million

As of February 28, 2014: ¥38,848 million

2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2014	—	0.00	—	35.00	35.00
Year ending February 28, 2015	—	0.00	—		
Year ending February 28, 2015 (forecast)				35.00	35.00

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

3. Consolidated financial forecasts for the fiscal year ending February 28, 2015

(March 1, 2014 – February 28, 2015)

(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
Full year	204,000	9.4	4,200	12.9	4,500	13.7	2,450	7.8	139.09

(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.: None

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 November 30, 2014	17,625,660 shares	As of February 28, 2014	17,625,660 shares
2) Number of treasury stock	As of November 30, 2014	11,286 shares	As of February 28, 2014	11,226 shares
3) Average number of shares outstanding in each period	Three quarters ended November 30, 2014	17,614,406 shares	Three quarters ended November 30, 2013	17,614,515 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, 2014	As of November 30, 2014
Assets		
Current assets		
Cash and deposits	6,711	10,602
Notes and accounts receivable–trade	15,712	18,154
Merchandise and finished goods	3,178	2,598
Raw materials and supplies	902	900
Other	2,600	2,447
Allowance for doubtful accounts	(60)	(128)
Total current assets	29,044	34,574
Fixed assets		
Tangible fixed assets		
Buildings and structures	41,362	43,550
Accumulated depreciation	(24,680)	(25,876)
Buildings and structures, net	16,682	17,673
Machinery, equipment and vehicles	17,238	18,619
Accumulated depreciation	(12,473)	(13,177)
Machinery, equipment and vehicles, net	4,765	5,442
Land	12,382	12,382
Construction in progress	545	0
Other	6,417	7,857
Accumulated depreciation	(3,025)	(3,647)
Other, net	3,392	4,209
Total tangible fixed assets	37,768	39,708
Intangible assets		
Other	348	394
Total intangible assets	348	394
Investments and other assets		
Other	3,945	4,107
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	3,942	4,104
Total fixed assets	42,059	44,207
Total assets	71,104	78,782

	(Millions of Yen)	
	As of February 28, 2014	As of November 30, 2014
Liabilities		
Current liabilities		
Notes and accounts payable–trade	9,005	11,953
Short-term loans payable	100	—
Current portion of long-term loans payable	1,244	1,189
Accounts payable–other	7,044	9,250
Accrued income taxes	962	1,080
Provision for bonuses	767	1,252
Provision for directors’ bonuses	—	107
Other	2,906	3,072
Total current liabilities	22,031	27,906
Long-term liabilities		
Long-term loans payable	4,320	3,410
Provision for retirement benefits	2,023	2,103
Asset retirement obligations	965	1,006
Other	2,914	3,564
Total long-term liabilities	10,223	10,085
Total liabilities	32,255	37,991
Net assets		
Shareholders’ equity		
Common stock	8,049	8,049
Capital surplus	8,143	8,143
Retained earnings	22,546	24,365
Treasury stock	(17)	(17)
Total shareholders’ equity	38,722	40,541
Accumulated other comprehensive income		
Unrealized gain on securities	105	145
Deferred gains or losses on hedges	(9)	46
Foreign currency translation adjustment	30	56
Total accumulated other comprehensive income	126	248
Total net assets	38,848	40,790
Total liabilities and net assets	71,104	78,782

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly consolidated statements of income

	(Millions of Yen)	
	Three quarters ended November 30, 2013	Three quarters ended November 30, 2014
Net sales	141,381	153,184
Cost of sales	120,257	130,632
Gross profit	21,123	22,552
Selling, general and administrative expenses	17,397	18,845
Operating income	3,726	3,706
Non-operating income		
Interest income	9	8
Dividend income	232	194
Rent income	119	162
Other	180	198
Total non-operating income	542	564
Non-operating expenses		
Interest expenses	84	73
Loss on retirement of fixed assets	83	33
Cost of lease revenue	68	116
Other	78	25
Total non-operating expenses	315	249
Ordinary income	3,954	4,020
Extraordinary income		
Subsidy income	—	84
Total extraordinary income	—	84
Extraordinary losses		
Provision of allowance for doubtful accounts for subsidiaries and associates	—	68
Total extraordinary losses	—	68
Income before income taxes	3,954	4,036
Current income taxes	1,793	1,841
Deferred income taxes	(218)	(240)
Total income taxes	1,575	1,600
Income before minority interests	2,378	2,435
Net income	2,378	2,435

Quarterly consolidated statements of comprehensive income

	(Millions of Yen)	
	Three quarters ended November 30, 2013	Three quarters ended November 30, 2014
Income before minority interests	2,378	2,435
Other comprehensive income		
Unrealized gain on securities	57	40
Deferred gains or losses on hedges	(0)	56
Foreign currency translation adjustment	72	25
Total other comprehensive income	129	122
Comprehensive income	2,508	2,558
(Breakdown of comprehensive income)		
Parent company portion of comprehensive income	2,508	2,558

(3) Segment information, etc.

[Business segment information]

I. Three quarters ended November 30, 2013 (March 1, 2013– November 30, 2013)

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	109,597	17,739	9,457	136,794	4,587	141,381	—	141,381
Intersegment sales and transfers	0	1,183	2,136	3,319	10,217	13,537	(13,537)	—
Total	109,597	18,922	11,593	140,114	14,805	154,919	(13,537)	141,381
Segment income (loss)	3,064	230	136	3,432	293	3,725	0	3,726

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 0 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. Three quarters ended November 30, 2014 (March 1, 2014– November 30, 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	118,790	18,824	9,566	147,181	6,003	153,184	—	153,184
Intersegment sales and transfers	0	1,384	2,593	3,977	12,146	16,124	(16,124)	—
Total	118,790	20,209	12,159	151,158	18,149	169,308	(16,124)	153,184
Segment income (loss)	2,795	211	245	3,252	482	3,734	(28)	3,706

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 (28) 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.