

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

[Prepared under Japanese GAAP, (UNAUDITED)]

July 2, 2014

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 4, 2014  
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 28, 2015

(March 1, 2014– May 31, 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	%
First quarter ended May 31, 2014	50,356	13.0	1,121	(5.8)	1,168	(0.5)	676	(3.1)
First quarter ended May 31, 2013	44,554	4.3	1,190	(8.6)	1,174	(11.2)	698	(12.3)

(Note) Comprehensive income: First quarter ended May 31, 2014: ¥667 million (down 14.9%)  
First quarter ended May 31, 2013: ¥784 million (down 2.0%)

	Net income per share	Diluted net income per share
	Yen	Yen
First quarter ended May 31, 2014	38.43	—
First quarter ended May 31, 2013	39.66	—

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of Yen	Millions of Yen	%
As of May 31, 2014	79,320	38,899	49.0
As of February 28, 2014	71,104	38,848	54.6

(Reference) Equity capital: As of May 31, 2014: ¥38,899 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	—				
Year ending February 28, 2015 (forecast)		0.00	—	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
First half	103,000	9.3	3,000	8.6	3,100	6.3	1,850	6.3	105.03
Full year	204,000	9.4	4,400	18.3	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 May 31, 2014	17,625,660 shares	As of February 28, 2014	17,625,660 shares
2) Number of treasury stock	As of May 31, 2014	11,226 shares	As of February 28, 2014	11,226 shares
3) Average number of shares outstanding in each period	First quarter ended May 31, 2014	17,614,434 shares	First quarter ended May 31, 2013	17,614,565 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 May 31, 2014
Assets		
Current assets		
Cash and deposits	6,711	8,105
Notes and accounts receivable-trade	15,712	19,352
Merchandise and finished goods	3,178	3,323
Raw materials and supplies	902	994
Other	2,600	2,370
Allowance for doubtful accounts	(60)	(60)
Total current assets	29,044	34,087
Fixed assets		
Tangible fixed assets		
Buildings and structures	41,362	41,816
Accumulated depreciation	(24,680)	(25,052)
Buildings and structures, net	16,682	16,763
Machinery, equipment and vehicles	17,238	17,373
Accumulated depreciation	(12,473)	(12,573)
Machinery, equipment and vehicles, net	4,765	4,800
Land	12,382	12,382
Construction in progress	545	2,664
Other	6,417	7,451
Accumulated depreciation	(3,025)	(3,200)
Other, net	3,392	4,250
Total tangible fixed assets	37,768	40,861
Intangible assets		
Other	348	326
Total intangible assets	348	326
Investments and other assets		
Other	3,945	4,047
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	3,942	4,045
Total fixed assets	42,059	45,233
Total assets	71,104	79,320

	(Millions of Yen)	
	As of February 28, 2014	As of May 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable–trade	9,005	11,762
Short-term loans payable	100	—
Current portion of long-term loans payable	1,244	1,245
Accounts payable–other	7,044	10,418
Accrued income taxes	962	565
Provision for bonuses	767	1,212
Provision for directors’ bonuses	—	35
Others	2,906	4,479
Total current liabilities	22,031	29,719
Long-term liabilities		
Long-term loans payable	4,320	3,980
Provision for retirement benefits	2,023	2,055
Asset retirement obligations	965	991
Others	2,914	3,674
Total long-term liabilities	10,223	10,701
Total liabilities	32,255	40,420
Net assets		
Shareholders’ equity		
Common stock	8,049	8,049
Capital surplus	8,143	8,143
Retained earnings	22,546	22,606
Treasury stock	(17)	(17)
Total shareholders’ equity	38,722	38,783
Accumulated other comprehensive income		
Unrealized gain on securities	105	117
Deferred gains or losses on hedges	(9)	(8)
Foreign currency translation adjustment	30	7
Total accumulated other comprehensive income	126	116
Total net assets	38,848	38,899
Total liabilities and net assets	71,104	79,320

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly consolidated statements of income

	(Millions of Yen)	
	First quarter ended May 31, 2013	First quarter ended May 31, 2014
Net sales	44,554	50,356
Cost of sales	37,787	43,006
Gross profit	6,766	7,350
Selling, general and administrative expenses	5,575	6,228
Operating income	1,190	1,121
Non-operating income		
Interest income	3	2
Dividends income	9	4
Rent income	39	55
Subsidy income	13	32
Others	45	40
Total non-operating income	112	136
Non-operating expenses		
Interest expenses	28	25
Cost of lease revenue	22	39
Loss on retirement of fixed assets	58	13
Others	18	11
Total non-operating expenses	129	89
Ordinary income	1,174	1,168
Income before income taxes	1,174	1,168
Current income taxes	691	669
Deferred income taxes	(216)	(177)
Total income taxes	475	491
Income before minority interests	698	676
Net income	698	676

Quarterly consolidated statements of comprehensive income

	(Millions of Yen)	
	First quarter ended May 31, 2013	First quarter ended May 31, 2014
Income before minority interests	698	676
Other comprehensive income		
Unrealized gain on securities	40	12
Deferred gains or losses on hedges	(2)	1
Foreign currency translation adjustment	47	(22)
Total other comprehensive income	85	(9)
Comprehensive income	784	667
(Breakdown of comprehensive income)		
Parent company portion of comprehensive income	784	667

(3) Segment information, etc.

[Business segment information]

I. First quarter ended May 31, 2013 (March 1, 2013– May 31, 2013)

1. Sales and profits or losses by reportable segments

(Millions of Yen)

	Reportable segments				Others (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	34,647	5,489	3,143	43,280	1,274	44,554	—	44,554
Intersegment sales and transfers	—	367	640	1,007	3,685	4,693	(4,693)	—
Total	34,647	5,856	3,783	44,287	4,959	49,247	(4,693)	44,554
Segment income (loss)	1,027	63	76	1,167	52	1,220	(29)	1,190

- Notes: 1. The “Others” 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 (29) 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, 2014 (March 1, 2014– May 31, 2014)

1. Sales and profits or losses by reportable segments

(Millions of Yen)

	Reportable segments				Others (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 “Others” 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.