

June 7, 2021

Company Name: Warabeya Nichiyo Holdings Co., Ltd.  
Representative: Hiroyuki Otomo, Representative Director, President  
(Securities code: 2918, Tokyo Stock Exchange First Section)  
Contact: Naoshi Asano, Director, Managing Executive Officer  
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## **Notice Regarding the Establishment of the Successor Preparatory Company and the Company Split and Change of Name for Our Consolidated Subsidiary**

Warabeya Nichiyo Holdings Co., Ltd. (hereinafter the “Company”) has decided to establish the Successor Preparatory Company “Warabeya Nichiyo Foods Co., Ltd.” (hereinafter the “Successor Preparatory Company” or the “Succeeding Company”), in which we hold a 100% shareholding, and to execute an absorption-type split agreement between our consolidated subsidiary Warabeya Nichiyo Co., Ltd. (hereinafter “Warabeya Nichiyo” or the “Splitting Company”) and the Successor Preparatory Company so that the Successor Preparatory Company becomes the succeeding company through a company split (through an absorption-type split method, hereinafter the “Absorption-type Split”) of the rights and obligations for the domestic business of Warabeya Nichiyo, so we make the following announcement.

Subject to the Absorption-type Split taking effect, we plan to change the name of the Splitting Company “Warabeya Nichiyo Co., Ltd.” to “Warabeya Nichiyo International Co., Ltd.” effective September 1, 2021 (planned) with its role as the controlling company of overseas food-related businesses.

Since the Absorption-type Split is a reorganization within the Warabeya Nichiyo Group (hereinafter the “Group”) of our 100%-owned subsidiaries, we have partially omitted some disclosure items and disclosure details.

### **1. Background and objective of the Absorption-type Split and the split of the food-related businesses**

The Group has built an integrated system from the development and procurement of ingredients to the production, delivery and logistics of food products under the Group philosophy of “We will contribute to the healthy and enjoyable eating habits of our customers by providing a sense of safety and peace of mind in addition to valuable products and services.”

To deal with the Group’s changing external environment and for the Group to achieve sustainable growth, we believe it is important (a) in the domestic food-related business to (i) further improve profitability through each measure, including the rebuilding of the production structure, and (ii) grow the business by taking on the challenge of new product categories; and (b) in the overseas food-related business, which is seen as a growth area for the Group, to (i) grow the business of existing overseas subsidiaries, and (ii) achieve aggressive business growth by progressing investigations and initiatives for all types of new projects.

To accelerate the realization of these management policies and various measures, we have decided to establish the Successor Preparatory Company, as a subsidiary in which we hold a 100% shareholding, and to execute an absorption-type split agreement between Warabeya Nichiyo and the Successor Preparatory Company for the succession of the domestic business. Through the Absorption-type Split, Warabeya Nichiyo will become the controlling company of overseas food-related businesses and the Succeeding Company will become a business company that specializes in domestic food-related businesses.

Through this, we aim to (i) accelerate decision-making and clarify responsibilities through delegation of authority to each business, and (ii) improve efficiency through measures such as the accelerated accumulation

of know-how that is unique to each business and the optimal assignment of specialists.

Coinciding with the Absorption-type Split, we plan to change the name of the Splitting Company “Warabeya Nichiyo Co., Ltd.” to “Warabeya Nichiyo International Co., Ltd.” effective September 1, 2021.

## 2. Overview of the Absorption-type Split

### (1) Timeline for the Absorption-type Split

Establishment of the Successor Preparatory Company	June 7, 2021
Date of the Board of Directors’ resolution to approve the absorption-type split agreement (Warabeya Nichiyo)	June 7, 2021
Date of the Directors’ decision to approve the absorption-type split agreement (Successor Preparatory Company)	June 7, 2021
Date for concluding the absorption-type split agreement	June 7, 2021
General Meeting of Shareholders to approve the absorption-type split agreement (Warabeya Nichiyo and the Successor Preparatory Company)	July 13, 2021 (planned)
Effective date of absorption-type split agreement	September 1, 2021 (planned)

### (2) Method of the Absorption-type Split

A company split (absorption-type split) with Warabeya Nichiyo as the Splitting Company and the Successor Preparatory Company as the Succeeding Company.

### (3) Details of the allotment relating to the Absorption-type Split

Since the Company owns all the outstanding shares of the Splitting Company and the Succeeding Company, there are no plans for the Succeeding Company to grant the Splitting Company cash, etc. in lieu of the rights and obligation relating to the succession.

### (4) Treatment of share acquisition rights and bonds with share acquisition rights arising from the Absorption-type Split

The Splitting Company has not issued share acquisition rights or bonds with share acquisition rights.

### (5) Change in share capital attributable to the Absorption-type Split

The share capital of the Splitting Company and the Succeeding Company will not change.

### (6) Rights and obligations assumed by the Succeeding Company

Through the Absorption-type Split, the Succeeding Company will assume all the assets (excluding some assets such as land and buildings), liabilities, employment contracts and other rights and obligations attributed to the Splitting Company related to the domestic food-related business as of the effective date, except where specifically stipulated in the absorption-type split agreement. Note that the assumption of liabilities shall, in any case, be through concomitant assumption.

### (7) Expected performance of liabilities

The Company judges that the Absorption-type Split will not adversely affect the debt servicing burden of the Succeeding Company. All liabilities to be assumed by the Succeeding Company from the Splitting Company shall be through concomitant assumption.

### 3. Overview of the companies involved in the Absorption-type Split

#### (1) Splitting Company (As of February 28, 2021)

1) Name	Warabeya Nichiyo Co., Ltd.*1
2) Location	13-19, Tomihisa-cho, Shinjuku-ku, Tokyo, Japan
3) Title and name of representative	Hiroyuki Otomo, Representative Director, President
4) Business	Manufacture and sales of ready-to-eat meals*2
5) Share capital	¥100 million
6) Established	May 10, 1996
7) Number of shares outstanding	538
8) Fiscal year-end	End of February
9) Major shareholder and shareholding ratio	100% by Warabeya Nichiyo Holdings Co., Ltd.
10) Financial position and operating results for the most recent fiscal year	
Net assets	¥2,356 million
Total assets	¥43,572 million
Net assets per share	¥4,379,985.04
Net sales	¥153,525 million
Operating profit	¥2,650 million
Ordinary profit	¥2,870 million
Profit attributable to owners of parent	¥1,153 million
Earnings per share	¥2,144,145.84

\*1 Plan to change its name to “Warabeya Nichiyo International Co., Ltd.” effective September 1, 2021.

\*2 Plan to change its business purpose to “management of overseas food-related subsidiaries, and technical assistance concerning ready-to-eat meals, etc.” effective September 1, 2021.

#### (2) Succeeding Company (As of June 7, 2021)

1) Name	Warabeya Nichiyo Foods Co., Ltd.
2) Location	13-15, Tomihisa-cho, Shinjuku-ku, Tokyo, Japan
3) Title and name of representative	Hiroyuki Otomo, Representative Director, President
4) Business	Manufacture and sales of ready-to-eat meals
5) Share capital	¥10 million
6) Established	June 7, 2021
7) Number of shares outstanding	100
8) Fiscal year-end	End of February
9) Major shareholder and shareholding ratio	100% by Warabeya Nichiyo Holdings Co., Ltd.

(Note) Since there is no finalized fiscal year, the financial position and operating results for the most recent fiscal year are not listed.

### 4. Overview of business division to be split

#### (1) Overview of business division to be split

Succeeding Company	Business of the division to be split
Warabeya Nichiyo Foods Co., Ltd.	Domestic food-related business

(2) Operating results of the division to be split (Fiscal year ended February 28, 2021)

Domestic Food-related Business

	Division to be split (a)	Warabeya Nichiyo results (Non-consolidated) (b)	Ratio (a/b)
Net sales	¥153,447 million	¥153,525 million	99.9%

(3) Items and amounts of assets and liabilities to be split (As of February 28, 2021)

Domestic Food-related Business

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	¥14,491 million	Current liabilities	¥15,342 million
Non-current assets	¥22,202 million	Non-current liabilities	¥21,351 million
Total	¥36,693 million	Total	¥36,693 million

(Note) The amounts of assets and liabilities to be split are being settled with additions and deductions to the above amounts for changes up until the day before the effective date.

5. Status after the Absorption-type Split (September 1, 2021 (planned))

	Splitting Company (Overseas food-related business)	Succeeding Company (Domestic food-related business)
1) Name	Warabeya Nichiyo International Co., Ltd. *The plan is to change the name from “Warabeya Nichiyo Co., Ltd.” effective September 1, 2021	Warabeya Nichiyo Foods Co., Ltd.
2) Location	13-19, Tomihisa-cho, Shinjuku-ku, Tokyo, Japan	13-15, Tomihisa-cho, Shinjuku-ku, Tokyo, Japan
3) Title and name of representative	Hideo Tsuji, Representative Director, President	Hiroyuki Otomo, Representative Director, President
4) Business	Management of overseas food-related subsidiaries, and technical assistance concerning ready-to-eat meals, etc.	Manufacture and sales of ready-to-eat meals
5) Share capital	¥100 million	¥10 million
6) Fiscal year-end	End of February	End of February

6. Future Outlook

Since the Splitting Company and the Succeeding Company in the Absorption-type Split are wholly owned subsidiaries of the Company, the Absorption-type Split will have minimal impact on the consolidated results.

Note: This English translation is provided solely for information purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.