

July 6, 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
(Tel: 03-5363-7010)

Notice Regarding the Business Expansion into the East Coast Area of the U.S. and Establishment of a New Plant

Warabeya Nichiyo Holdings Co., Ltd. (hereinafter the “Company”) have decided to expand its’ business into the U. S. East Coast area (parts of the five (5) states, centered Virginia, and Washington D.C.) and to establish a new plant through its’ consolidated subsidiary WARABEYA TEXAS, INC. (hereinafter “WARABEYA TEXAS”). Details are shown as follows.

1. Overview of the Business Expansion

In order to respond to the changes of the external environment and achieve sustainable growth, Warabeya Nichiyo Group (hereinafter the “Group”) is working to improve the profitability of the domestic food-related business which is the Group’s mainstay business, through various measures including the restructuring of the production system. In addition, the Group is striving to grow its’ business by entering new product categories. Meanwhile, in the overseas food-related business, which is regarded as a growth field, the Group is strengthening various initiatives aimed at the business growth of existing overseas subsidiaries and investigation of new projects.

In the U.S., 100% owned subsidiary, WARABEYA U.S.A., INC. (Hawaii), has been manufacturing and supplying ready-to-eat food products including rice products and cooked bread to 7-Eleven stores since its establishment in 1982. In addition, the Group invested in WARABEYA TEXAS (Texas, formerly known as Prime Deli Corporation) in 2016 and made it into subsidiary in 2017. It also manufactures and supplies sandwiches, light meals, and other products to 7-Eleven stores.

On the occasion that WARABEYA TEXAS was recently selected by 7-Eleven, Inc. which operates 7-Eleven business in Continental U.S. as its’ business partner for strengthening fresh food in the U. S. East Coast area, the Company has decided to establish a new plant in Virginia and to start supplying products to the local 7-Eleven stores.

2. Overview of the new plant (planned)

1) Location	Stafford, Virginia
2) Floor area	126,984sqf (11,797m ²)
3) Total investments	Approximately \$44 million (Approximately ¥4.8 Billion) (Land and buildings will be leased)
4) Building specifications	Steel structure, one-story
5) Major equipment	Production equipment (cooking, topping equipment, refrigeration / freezing equipment, etc.) and cooling, electricity, wastewater treatment equipment
6) Delivery area	Parts of states of Virginia, Pennsylvania, Maryland, Delaware and North Carolina, and Washington, D.C.
7) Estimated number of delivery stores	Approximately 1,350 stores
8) Financing plan	Own funds and borrowings
9) Operation starting time	March 2023
10) Products	Cooked bread, light meals, etc.

3. Future Outlook

The impact on consolidated business results for the current fiscal year will be minor, but is expected to be positive for earnings over the medium and long term.

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.