

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended May 31, 2021 (Based on Japanese GAAP)

July 6, 2021

Company name: WARABEYA NICHIO HOLDINGS CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 2918 URL <https://www.warabeya.co.jp/ja/index.html>  
 Representative: Representative Director, President Hiroyuki Otomo  
 Inquiries: Director, Managing Executive Officer Naoshi Asano TEL 03-5363-7010  
 Scheduled date to file Quarterly Securities Report: July 7, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the three months ended May 31, 2021 (from March 1, 2021 to May 31, 2021)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended May 31, 2021	47,058	1.6	1,355	529.5	1,426	472.2	761	706.6
Three months ended May 31, 2020	46,330	(14.7)	215	(80.7)	249	(77.1)	94	(86.6)

(Note) Comprehensive income: Three months ended May 31, 2021: ¥1,285 million [–%]  
 Three months ended May 31, 2020: ¥99 million [(84.4)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended May 31, 2021	43.64		–	
Three months ended May 31, 2020	5.38		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2021	80,500	44,920	55.5
As of February 28, 2021	82,273	44,372	53.7

(Reference) Equity capital: As of May 31, 2021: ¥44,709 million  
 As of February 28, 2021: ¥44,164 million

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2021	–	0.00	–	40.00	40.00
Year ending February 28, 2022	–	–	–	–	–
Year ending February 28, 2022 (Forecast)	–	0.00	–	40.00	40.00

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

### 3. Forecast of consolidated financial results for the year ending February 28, 2022 (from March 1, 2021 to February 28, 2022)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 31, 2021	99,000	2.5	2,700	124.0	2,950	92.1	1,660	–	95.11
Full year	198,000	1.9	4,500	35.1	4,900	32.0	2,800	310.1	160.42

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

\* Notes

(1) Changes in significant subsidiaries during the three months ended May 31, 2021  
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No  
 Newly consolidated: – Excluded: –

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements  
 Changes in accounting policies due to revisions to accounting standards and other regulations: No  
 Changes in accounting policies due to other reasons: No  
 Changes in accounting estimates: No  
 Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 2021	17,625,660 shares	As of February 28, 2021	17,625,660 shares
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Number of treasury shares at the end of the period

As of May 31, 2021	169,623 shares	As of February 28, 2021	172,298 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2021	17,454,293 shares	Three months ended May 31, 2020	17,552,662 shares
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(Note) The Company has established a BIP Trust. Shares of the Company held by the trust are included in treasury shares.

\* This financial summary document is outside the scope of quarterly review conducted by certified public accountants or an audit corporation.

\* Explanation of appropriate use of forecasts of financial results, and other important items:

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.

**Quarterly consolidated financial statements**  
**(1) Consolidated balance sheets**

(Millions of Yen)

	As of February 28, 2021	As of May 31, 2021
Assets		
Current assets		
Cash and deposits	8,946	7,200
Notes and accounts receivable - trade	16,101	16,139
Merchandise and finished goods	1,975	1,761
Raw materials and supplies	901	974
Other	1,508	1,503
Allowance for doubtful accounts	(0)	(21)
Total current assets	29,433	27,558
Non-current assets		
Property, plant and equipment		
Buildings and structures	56,157	56,535
Accumulated depreciation	(33,304)	(33,842)
Buildings and structures, net	22,852	22,692
Machinery, equipment and vehicles	18,497	18,755
Accumulated depreciation	(15,080)	(15,306)
Machinery, equipment and vehicles, net	3,417	3,449
Land	11,890	11,942
Construction in progress	38	288
Other	14,821	14,446
Accumulated depreciation	(8,542)	(8,424)
Other, net	6,278	6,022
Total property, plant and equipment	44,477	44,395
Intangible assets		
Goodwill	153	140
Other	523	478
Total intangible assets	677	619
Investments and other assets		
Other	7,852	8,063
Allowance for doubtful accounts	(166)	(134)
Total investments and other assets	7,685	7,928
Total non-current assets	52,840	52,942
Total assets	82,273	80,500

(Millions of Yen)

	As of February 28, 2021	As of May 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	9,195	8,928
Current portion of long-term borrowings	607	929
Accounts payable - other	8,251	6,675
Income taxes payable	812	573
Provision for bonuses	1,252	1,828
Provision for bonuses for directors (and other officers)	–	27
Other	3,419	3,198
<b>Total current liabilities</b>	<b>23,539</b>	<b>22,161</b>
<b>Non-current liabilities</b>		
Long-term borrowings	2,806	2,400
Lease obligations	5,640	5,341
Retirement benefit liability	4,148	3,896
Provision for Directors stock-based rewards	179	167
Asset retirement obligations	1,411	1,426
Other	176	185
<b>Total non-current liabilities</b>	<b>14,361</b>	<b>13,418</b>
<b>Total liabilities</b>	<b>37,900</b>	<b>35,580</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	8,049	8,049
Capital surplus	8,100	8,100
Retained earnings	28,693	28,750
Treasury shares	(367)	(359)
<b>Total shareholders' equity</b>	<b>44,475</b>	<b>44,541</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	116	162
Deferred gains or losses on hedges	1	1
Foreign currency translation adjustment	(262)	157
Remeasurements of defined benefit plans	(166)	(152)
<b>Total accumulated other comprehensive income</b>	<b>(311)</b>	<b>168</b>
<b>Non-controlling interests</b>	<b>208</b>	<b>211</b>
<b>Total net assets</b>	<b>44,372</b>	<b>44,920</b>
<b>Total liabilities and net assets</b>	<b>82,273</b>	<b>80,500</b>

**(2) Consolidated statements of income and comprehensive income**  
**Consolidated statements of income**

(Millions of Yen)

	Three months ended May 31, 2020	Three months ended May 31, 2021
Net sales	46,330	47,058
Cost of sales	39,293	38,721
Gross profit	7,037	8,337
Selling, general and administrative expenses	6,821	6,982
Operating profit	215	1,355
Non-operating income		
Interest income	2	1
Dividend income	2	2
Rental income	44	43
Insurance claim income	27	31
Share of profit of entities accounted for using equity method	16	22
Other	11	49
Total non-operating income	105	150
Non-operating expenses		
Interest expenses	28	23
Rental costs	32	35
Other	10	19
Total non-operating expenses	71	78
Ordinary profit	249	1,426
Extraordinary income		
Gain on sales of non-current assets	61	-
Total extraordinary income	61	-
Extraordinary losses		
Impairment loss	9	191
Total extraordinary losses	9	191
Profit before income taxes	301	1,235
Income taxes - current	267	630
Income taxes - deferred	(85)	(180)
Total income taxes	181	450
Profit	120	784
Profit attributable to non-controlling interests	25	22
Profit attributable to owners of parent	94	761

## Consolidated statements of comprehensive income

(Millions of Yen)

	Three months ended May 31, 2020	Three months ended May 31, 2021
Profit	120	784
Other comprehensive income		
Valuation difference on available-for-sale securities	1	46
Deferred gains or losses on hedges	(1)	(0)
Foreign currency translation adjustment	(10)	368
Remeasurements of defined benefit plans, net of tax	8	13
Share of other comprehensive income of entities accounted for using equity method	(18)	73
Total other comprehensive income	(20)	501
Comprehensive income	99	1,285
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	76	1,241
Comprehensive income attributable to non-controlling interests	23	44

### (3) Segment information, etc.

[Segment information]

#### I. Three months ended May 31, 2020 (from March 1, 2020 to May 31, 2020)

##### 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 statements of income (Note 3)
	Food Products Business	Food Ingredients Business	Logistics Business	Food Engineering Business	Total				
Net sales									
Sales to external customers	38,245	3,362	3,215	321	45,144	1,185	46,330	–	46,330
Intersegment sales and transfers	–	560	1,154	665	2,380	1,282	3,662	(3,662)	–
Total	38,245	3,922	4,370	987	47,525	2,467	49,992	(3,662)	46,330
Segment profit (loss)	594	(181)	(1)	(18)	393	(70)	322	(107)	215

- Notes: 1. The classification “Other” is the segment of businesses not included in the reportable segments, and includes Temporary Staffing and Contracting Business.  
2. The adjustment of (107) million yen under the item of “Segment profit (loss)” includes an elimination of intersegment transactions of 74 million yen, as well as corporate expenses of (182) million yen, which are not allocated to the reportable segments.  
3. Segment profit (loss) is adjusted to reflect operating profit as recorded on the quarterly consolidated statements of income.

#### II. Three months ended May 31, 2021 (from March 1, 2021 to May 31, 2021)

##### 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 statements of income (Note 3)
	Food Products Business	Food Ingredients Business	Logistics Business	Food Engineering Business	Total				
Net sales									
Sales to external customers	39,956	3,354	3,372	337	47,020	38	47,058	–	47,058
Intersegment sales and transfers	–	668	1,206	37	1,911	961	2,872	(2,872)	–
Total	39,956	4,022	4,578	374	48,932	999	49,931	(2,872)	47,058
Segment profit (loss)	1,395	44	181	(26)	1,595	(138)	1,456	(101)	1,355

- Notes: 1. The classification “Other” is the segment of businesses not included in the reportable segments, and includes Temporary Staffing and Contracting Business.  
2. The adjustment of (101) million yen under the item of “Segment profit (loss)” includes an elimination of intersegment transactions of 235 million yen, as well as corporate expenses of (336) million yen, which are not allocated to the reportable segments.  
3. Segment profit (loss) is adjusted to reflect operating profit as recorded on the quarterly consolidated statements of income.

##### 2. Matters regarding changes in reportable segments

From the first quarter of the current fiscal year, the Temporary Staffing and Contracting Business, which was previously a reportable segment, has become insignificant due to the Company’s withdrawal from this business, and is therefore listed in “Other.”

The segment information for the first three months of the fiscal year ended February 28, 2021 has been restated to reflect the reportable segments adopted in the first three months of the fiscal year ending February 28, 2022.