

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 Closure and Business Transfer of Niigata Plant

Warabeya Nichiyo Holdings Co., Ltd. (hereinafter the “Company”) has decided to close Niigata Plant of its consolidated subsidiary, Warabeya Nichiyo Foods Co., Ltd., and to transfer its business as follows.

1. Reasons for the Closure and Business Transfer

To deal with the changing external environment surrounding the Group and achieve sustainable growth, the Company worked to rebuild the production structure in the main domestic food products business.

The Niigata Plant (hereinafter the “Plant”) operated by Warabeya Nichiyo Foods Co., Ltd. (hereinafter the “Subsidiary”), a consolidated subsidiary of the Company, has carried out the manufacturing of ready-to-eat meals for convenience stores for many years since its establishment in August 1987. However, the Company has been considering it as one of the issues as the buildings and equipment have aged, and in consideration of factors such as changing needs in the items able to be produced at the Plant and the supply area of products in addition to future trends.

The Company decided to conclude a business transfer agreement, the primary detail of which is transferring the items produced at the Plant to Daily Hayashiya Co., Ltd.’s new plant that is currently under construction in Niigata Prefecture, with Daily Hayashiya Co., Ltd., which operates the food manufacturing business for Seven-Eleven. The Company also decided to close the Plant.

2. Outline of the Subsidiary

(1) Name	Warabeya Nichiyo Foods Co., Ltd.		
(2) Location	13-15, Tomihisa-cho, Shinjuku-ku, Tokyo, Japan		
(3) Representative	Masahide Ebata, Representative Director, President		
(4) Business	Manufacture and sales of ready-to-eat meals		
(5) Capital and shareholding ratio	¥10 million 100% by the Company		
(6) Established	June 7, 2021		
	Year ended February 29, 2020	Year ended February 28, 2021	Six months ended August 31, 2021
(7) (Reference) Net sales*	¥167,757 million	¥153,525 million	¥77,517 million
(8) (Reference) Ordinary profit*	¥1,679 million	¥2,890 million	¥2,379 million
(9) (Reference) Number of employees*	8,440 (of which, the number of temporary employees: 6,749)	7,252 (of which, the number of temporary employees: 5,636)	7,711 (of which, the number of temporary employees: 6,096)

*The subsidiary succeeded the domestic food products business of Warabeya Nichiyo Co., Ltd. on September 1, 2021 through a company split. Figures in (7) Net sales, (8) Ordinary profit and (9) Number of employees are based on the figures of Warabeya Nichiyo Co., Ltd. before the company split.

3. Outline of the Plant

(1) Name	Niigata Plant
(2) Location	7-1383-3 Ima-machi, Mitsuke-shi, Niigata
(3) Established	August 1987
(4) Business	Business related to manufacture and sale of ready-to-eat meals for Seven-Eleven in Niigata Prefecture
(5) Number of employees (as of August 31, 2021)	154 (of which, 120 are temporary employees)

4. Schedule of the Closure and Business Transfer

March 31, 2022 (planned)

5. Details of the Business Transfer

(1) Subject of business transfer

Transactions in which the Plant manufactures products in the room temperature rice category, such as rice balls and room temperature bento, and provides them to Seven-Eleven stores in Niigata Prefecture, as well as some assets and contracts belonging to this business or offered for this business

(2) Transferee

Daily Hayashiya Co., Ltd.

(3) Net sales and plant profit of the division to be transferred in the most recent fiscal period

Fiscal period	Year ended February 28, 2021	Year ending February 28, 2022 (from March 1, 2021 to August 31, 2021)
Net sales	¥2,232 million	¥1,222 million
Plant profit (loss)	¥(90) million	¥(17) million

(4) Assets and liabilities of the division to be transferred

	Details	Book value (February 28, 2022) (planned)
Assets to be transferred	Some manufacturing facilities of the division to be transferred	¥2 million
Liabilities to be transferred	—	—

(5) Transfer price

The amount obtained by adding the total book value amount of assets to be transferred as of February 28, 2022 to 500 million yen.

6. Outline of the Transferee of the Business Transfer

(1) Name	Daily Hayashiya Co., Ltd.	
(2) Location	4010-28 Wada Minami-Nishihara, Matsumoto-shi, Nagano	
(3) Representative	Yoshinori Matsuda, President	
(4) Business	Planning, development, and manufacture of bento, delicatessen, desserts, and other daily items Planning, development, and manufacture of delicatessen included in the Seven Premium brand line of goods	
(5) Capital	¥3 million	
(6) Established	May 13, 2019	
(7) Net assets	¥457 million (March 31, 2021)	
(8) Total assets	¥3,630 million (March 31, 2021)	
(9) Major shareholder and shareholding ratio	100% by Hayashiya Co., Ltd.	
(10) Relation between the Company and the Transferee	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	Not applicable
	Relationship with related parties	Not applicable

7. Handling of Employees, Assets, etc. Belonging to the Plant

Some assets attributable to the Plant will be transferred, etc. to the transferee upon inspection. Other assets will be transferred to the Group's other plants, disposed of, etc. due to the closing of the Plant.

The employees of the Plant will receive support such as transfers to companies within the Group or reemployment at the business transferee.

8. Schedule of the Closure and Business Transfer

Date of resolution by the Board of Directors:	October 7, 2021
Date of business transfer agreement:	October 7, 2021
Date of business transfer:	March 31, 2022 (planned)
Date of completion of plant closure:	March 31, 2022 (planned)

9. Future Outlook

The Company has accounted for the impact of this matter on performance in the fiscal year ending February 28, 2022 in the consolidated financial forecast announced today. For details, please refer to "Notice of Difference Between Consolidated Financial Forecast and Actual Results for the Six Months Ended August 31, 2021, and Revision to Consolidated Financial Forecast for the Year Ending February 28, 2022." Furthermore, the Company expects to record 500 million yen in gain on sale of businesses as extraordinary income in the fiscal year ending February 28, 2023.

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.