

**Translation**

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## Summary of Consolidated Financial Results for the Year Ended February 28, 2022 (Based on Japanese GAAP)

April 14, 2022

Company name: WARABEYA NICHIIYO HOLDINGS CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 2918 URL <https://www.warabeya.co.jp/ja/index.html>  
 Representative: Representative Director, President Hideo Tsuji  
 Inquiries: Director, Senior Managing Executive Officer Naoshi Asano TEL 03-5363-7010  
 Scheduled date of ordinary general meeting of shareholders: May 26, 2022  
 Scheduled date to file Securities Report: May 27, 2022  
 Scheduled date to commence dividend payments: May 27, 2022  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended February 28, 2022 (from March 1, 2021 to February 28, 2022)

#### (1) Consolidated operating results

(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	%
Year ended February 28, 2022	192,326	(1.0)	4,441	33.3	5,035	35.7	3,264	378.1
Year ended February 28, 2021	194,309	(9.0)	3,332	22.4	3,710	33.8	682	(32.4)

(Note) Comprehensive income: Year ended February 28, 2022: ¥4,239 million [734.3%]  
 Year ended February 28, 2021: ¥508 million [(48.8)%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended February 28, 2022	186.98	–	7.1	6.1	2.3
Year ended February 28, 2021	39.04	–	1.5	4.4	1.7

(Reference) Equity in earnings of affiliates: Year ended February 28, 2022: ¥(137) million  
 Year ended February 28, 2021: ¥120 million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2022	82,184	47,901	57.9	2,723.51
As of February 28, 2021	82,273	44,372	53.7	2,530.40

(Reference) Equity capital: As of February 28, 2022: ¥47,564 million  
 As of February 28, 2021: ¥44,164 million

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended February 28, 2022	8,106	(3,963)	(3,546)	9,671
Year ended February 28, 2021	8,338	(5,226)	(1,922)	8,946

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended February 28, 2021	–	0.00	–	40.00	40.00	704	102.5	1.6
Year ended February 28, 2022	–	0.00	–	50.00	50.00	880	26.7	1.9
Year ending February 28, 2023 (Forecast)	–	0.00	–	50.00	50.00		29.1	

(Note) Total cash dividends for the year ended February 28, 2021 and the year ended February 28, 2022, respectively, include dividends of ¥6 million and ¥7 million paid for shares of the Company held by the BIP Trust.

## 3. Forecast of consolidated financial results for the year ending February 28, 2023 (from March 1, 2022 to February 28, 2023)

(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, 2022	96,700	0.7	2,600	(18.6)	2,750	(30.0)	1,750	(28.1)	100.20
Full year	194,000	0.9	4,500	1.3	4,750	(5.7)	3,000	(8.1)	171.78

(Note) It should be noted that since “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29), etc. are applied from the beginning of the fiscal year ending February 28, 2023, the above forecast amounts of consolidated financial results reflect the application of the accounting standard, etc.

\* Notes

- (1) Changes in significant subsidiaries during the year ended February 28, 2022 Yes  
 (changes in specified subsidiaries resulting in the change in scope of consolidation):  
 Newly consolidated: 1 company (Company name: Warabeya Nichiyo Foods Co., Ltd.)  
 Excluded: –

- (2) 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: Yes  
 Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of February 28, 2022	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 February 28, 2022	161,323 shares	As of February 28, 2021	172,298 shares
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Average number of shares during the period

Year ended February 28, 2022	17,459,154 shares	Year ended February 28, 2021	17,488,363 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.

(References) Overview of non-consolidated financial results

1. Non-consolidated financial results for the year ended February 28, 2022 (from March 1, 2021 to February 28, 2022)

(1) Non-consolidated operating results

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended February 28, 2022	2,203	17.3	365	(56.2)	469	(49.2)	142	(79.5)
Year ended February 28, 2021	1,878	(5.2)	835	6.4	924	4.8	696	(7.7)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended February 28, 2022	8.19	–
Year ended February 28, 2021	39.82	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2022	41,826	37,996	90.8	2,175.63
As of February 28, 2021	41,911	38,426	91.7	2,201.69

(Reference) Equity capital: As of February 28, 2022: ¥37,996 million  
 As of February 28, 2021: ¥38,426 million

\* This financial summary document is outside the scope of audit 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.

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

(Millions of Yen)

	As of February 28, 2021	As of February 28, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	8,946	9,671
Notes and accounts receivable - trade	16,101	15,427
Merchandise and finished goods	1,975	1,256
Raw materials and supplies	901	1,607
Other	1,508	1,505
Allowance for doubtful accounts	(0)	–
<b>Total current assets</b>	<b>29,433</b>	<b>29,467</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	56,157	55,349
Accumulated depreciation	(33,304)	(33,153)
Buildings and structures, net	22,852	22,196
Machinery, equipment and vehicles	18,497	19,383
Accumulated depreciation	(15,080)	(15,223)
Machinery, equipment and vehicles, net	3,417	4,160
Land	11,890	11,913
Leased assets	13,308	11,693
Accumulated depreciation	(7,243)	(6,260)
Leased assets, net	6,064	5,433
Construction in progress	38	440
Other	1,513	1,537
Accumulated depreciation	(1,299)	(1,305)
Other, net	214	232
<b>Total property, plant and equipment</b>	<b>44,477</b>	<b>44,376</b>
<b>Intangible assets</b>		
Goodwill	153	73
Leased assets	0	0
Other	522	371
<b>Total intangible assets</b>	<b>677</b>	<b>445</b>
<b>Investments and other assets</b>		
Investment securities	512	670
Long-term loans receivable	182	277
Retirement benefit asset	800	824
Guarantee deposits	1,489	1,386
Deferred tax assets	3,425	3,166
Other	1,441	1,690
Allowance for doubtful accounts	(166)	(121)
<b>Total investments and other assets</b>	<b>7,685</b>	<b>7,895</b>
<b>Total non-current assets</b>	<b>52,840</b>	<b>52,716</b>
<b>Total assets</b>	<b>82,273</b>	<b>82,184</b>

(Millions of Yen)

	As of February 28, 2021	As of February 28, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	9,195	9,251
Current portion of long-term borrowings	607	628
Lease obligations	2,159	1,833
Accounts payable - other	8,251	7,668
Income taxes payable	812	349
Provision for bonuses	1,252	1,194
Other	1,260	613
<b>Total current liabilities</b>	<b>23,539</b>	<b>21,539</b>
<b>Non-current liabilities</b>		
Long-term borrowings	2,806	1,995
Lease obligations	5,640	4,857
Retirement benefit liability	4,148	3,972
Provision for share-based remuneration for directors (and other officers)	179	188
Asset retirement obligations	1,411	1,419
Other	176	310
<b>Total non-current liabilities</b>	<b>14,361</b>	<b>12,744</b>
<b>Total liabilities</b>	<b>37,900</b>	<b>34,283</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	31,253
Treasury shares	(367)	(334)
<b>Total shareholders' equity</b>	<b>44,475</b>	<b>47,068</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	116	216
Deferred gains or losses on hedges	1	0
Foreign currency translation adjustment	(262)	393
Remeasurements of defined benefit plans	(166)	(113)
<b>Total accumulated other comprehensive income</b>	<b>(311)</b>	<b>496</b>
<b>Non-controlling interests</b>	<b>208</b>	<b>336</b>
<b>Total net assets</b>	<b>44,372</b>	<b>47,901</b>
<b>Total liabilities and net assets</b>	<b>82,273</b>	<b>82,184</b>

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

(Millions of Yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Net sales	194,309	192,326
Cost of sales	162,994	160,214
Gross profit	31,314	32,112
Selling, general and administrative expenses		
Transportation costs	11,784	11,709
Salaries, allowances and bonuses	6,378	6,218
Provision for bonuses	545	441
Depreciation	511	476
Rent expenses	1,176	1,060
Other	7,586	7,764
Total selling, general and administrative expenses	27,982	27,670
Operating profit	3,332	4,441
Non-operating income		
Interest income	8	6
Dividend income	311	286
Rental income	176	198
Gain on forgiveness of debts	–	326
Subsidy income	66	129
Insurance claim income	49	47
Share of profit of entities accounted for using equity method	120	–
Other	47	128
Total non-operating income	780	1,122
Non-operating expenses		
Interest expenses	98	86
Rental costs	129	154
Loss on retirement of non-current assets	55	54
Loss on cancellation of leases	32	43
Share of loss of entities accounted for using equity method	–	137
Other	84	52
Total non-operating expenses	401	529
Ordinary profit	3,710	5,035
Extraordinary income		
Gain on sale of non-current assets	61	–
Total extraordinary income	61	–
Extraordinary losses		
Impairment losses	1,673	303
Other	96	–
Total extraordinary losses	1,770	303
Profit before income taxes	2,001	4,731
Income taxes - current	1,166	1,018
Income taxes - deferred	74	311
Total income taxes	1,241	1,329
Profit	760	3,401
Profit attributable to non-controlling interests	77	137
Profit attributable to owners of parent	682	3,264

## Consolidated statements of comprehensive income

(Millions of Yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Profit	760	3,401
Other comprehensive income		
Valuation difference on available-for-sale securities	25	100
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	(280)	528
Remeasurements of defined benefit plans, net of tax	(10)	52
Share of other comprehensive income of entities accounted for using equity method	12	157
Total other comprehensive income	(252)	838
Comprehensive income	508	4,239
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	446	4,071
Comprehensive income attributable to non-controlling interests	61	168

### (3) Consolidated statements of changes in equity

Fiscal year ended February 28, 2021

(Millions of Yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,049	8,100	28,560	(213)	44,496
Changes during period					
Dividends of surplus	–	–	(704)	–	(704)
Profit attributable to owners of parent	–	–	682	–	682
Change in scope of equity method	–	–	154	–	154
Purchase of treasury shares	–	–	–	(153)	(153)
Net changes in items other than shareholders' equity	–	–	–	–	–
Total changes during period	–	–	133	(153)	(20)
Balance at end of period	8,049	8,100	28,693	(367)	44,475

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	90	1	(89)	(156)	(154)	181	44,523
Changes during period							
Dividends of surplus	–	–	–	–	–	–	(704)
Profit attributable to owners of parent	–	–	–	–	–	–	682
Change in scope of equity method	–	–	–	–	–	–	154
Purchase of treasury shares	–	–	–	–	–	–	(153)
Net changes in items other than shareholders' equity	25	(0)	(172)	(10)	(157)	27	(129)
Total changes during period	25	(0)	(172)	(10)	(157)	27	(150)
Balance at end of period	116	1	(262)	(166)	(311)	208	44,372



	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,049	8,100	28,693	(367)	44,475
Changes during period					
Dividends of surplus	–	–	(704)	–	(704)
Profit attributable to owners of parent	–	–	3,264	–	3,264
Disposal of treasury shares	–	–	–	32	32
Net changes in items other than shareholders' equity	–	–	–	–	–
Total changes during period	–	–	2,559	32	2,592
Balance at end of period	8,049	8,100	31,253	(334)	47,068

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	116	1	(262)	(166)	(311)	208	44,372
Changes during period							
Dividends of surplus	–	–	–	–	–	–	(704)
Profit attributable to owners of parent	–	–	–	–	–	–	3,264
Disposal of treasury shares	–	–	–	–	–	–	32
Net changes in items other than shareholders' equity	100	(0)	655	52	807	128	935
Total changes during period	100	(0)	655	52	807	128	3,528
Balance at end of period	216	0	393	(113)	496	336	47,901

**(4) Consolidated statements of cash flows**

(Millions of Yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Cash flows from operating activities		
Profit before income taxes	2,001	4,731
Depreciation	4,812	5,178
Impairment losses	1,673	303
Increase (decrease) in allowance for doubtful accounts	1	(45)
Increase (decrease) in provision for bonuses	(78)	(58)
Increase (decrease) in retirement benefit liability	361	(86)
Interest and dividend income	(319)	(292)
Interest expenses	98	86
Share of loss (profit) of entities accounted for using equity method	(120)	137
Loss (gain) on sale of property, plant and equipment	(61)	(21)
Loss on retirement of non-current assets	55	54
Gain on forgiveness of debt	–	(326)
Decrease (increase) in trade receivables	1,738	704
Decrease (increase) in inventories	1,724	18
Increase (decrease) in trade payables	(1,092)	30
Increase (decrease) in accounts payable - other	(1,868)	(616)
Other, net	144	(395)
Subtotal	9,070	9,403
Interest and dividends received	319	292
Interest paid	(98)	(86)
Income taxes paid	(954)	(1,502)
Net cash provided by (used in) operating activities	8,338	8,106
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,234)	(3,762)
Proceeds from sale of property, plant and equipment	291	163
Purchase of intangible assets	(219)	(62)
Loan advances	(436)	(860)
Proceeds from collection of loans receivable	332	762
Proceeds from withdrawal of time deposits	207	–
Other, net	(166)	(202)
Net cash provided by (used in) investing activities	(5,226)	(3,963)
Cash flows from financing activities		
Proceeds from long-term borrowings	2,034	–
Repayments of long-term borrowings	(545)	(620)
Repayments of lease obligations	(2,516)	(2,212)
Purchase of treasury shares	(153)	–
Dividends paid	(704)	(704)
Other, net	(36)	(8)
Net cash provided by (used in) financing activities	(1,922)	(3,546)
Effect of exchange rate change on cash and cash equivalents	(145)	128
Net increase (decrease) in cash and cash equivalents	1,043	725
Cash and cash equivalents at beginning of period	7,902	8,946
Cash and cash equivalents at end of period	8,946	9,671

## (5) Segment information, etc.

[Segment information]

### 1. Overview of the reportable segments

The reporting segments of the Company and its consolidated subsidiaries are components for which separate financial information is available and whose operating results are regularly reviewed by the Board of Directors in order to determine the allocation of business resources to them as well as to evaluate their business performance. These segments are classified into “Food Products Business,” “Food Ingredients Business,” “Logistics Business” and “Food Engineering Business” according to their products and services.

From the fiscal year ended February 28, 2022, 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.” As a result, the segment information for the previous fiscal year has been restated to reflect the reportable segments adopted in the fiscal year ended February 28, 2022.

The main business operations are as follows.

Food Products Business:	Manufacturing and sales of cooked foods such as cooked rice products, bread products, side dishes and chilled Japanese sweets
Food Ingredients Business:	Procurement, processing and sales of food ingredients
Logistics Business:	Sorting and delivery of food products and ingredients
Food Engineering Business:	Sales of food processing machines, etc.

### 2. Calculation method for the amounts of sales, profits/losses, assets/liabilities, and other items by reporting segment

The figures of profit (loss) of reporting segments are recorded on an operating profit basis.

Internal sales and transfers between segments are recorded based on actual market prices.

### 3. Information on the amounts of sales, profits/losses, assets/liabilities, and other items by reporting segment

Year ended February 28, 2021

(Millions of Yen)

	Reportable segments					Other (Note 1)	Total	Adjustment (Note 2)	Carried on consolidated statements of income (Note 3)
	Food Products Business	Food Ingredients Business	Logistics Business	Food Engineering Business	Total				
Net sales									
Sales to external customers	160,417	14,994	13,121	1,473	190,005	4,303	194,309	–	194,309
Intersegment sales and transfers	–	2,451	4,828	1,902	9,181	5,299	14,480	(14,480)	–
Total	160,417	17,445	17,949	3,375	199,187	9,603	208,790	(14,480)	194,309
Segment profit (loss)	4,261	(757)	447	(12)	3,939	(277)	3,662	(330)	3,332
Segment assets	62,970	4,575	6,839	1,389	75,774	1,356	77,131	5,142	82,273
Other									
Amortization of goodwill	87	–	–	–	87	–	87	–	87
Depreciation	4,602	110	411	2	5,126	27	5,154	(341)	4,812
Investments to entities accounted for using equity method	1,092	–	–	–	1,092	–	1,092	–	1,092
Increase in property, plant and equipment and intangible assets	5,441	104	94	–	5,640	55	5,696	(73)	5,623

- 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 (330) million yen under the item of “Segment profit (loss)” includes an elimination of intersegment transactions of 372 million yen, as well as corporate expenses of (702) million yen, which are not allocated to the reportable segments.  
The adjustment of 5,142 million yen under the item of “Segment assets” includes an elimination of intersegment transactions of (22,533) million yen, as well as corporate assets of 27,675 million yen, which are not allocated to the reportable segments.  
The adjustment of (341) million yen under the item of “Depreciation” includes an elimination of intersegment transactions of (343) million yen and depreciation of 1 million yen related to corporate assets, which are not allocated to the reportable segments.  
The adjustment of (73) million yen under the item of “Increase in property, plant and equipment and intangible assets” includes an elimination of intersegment transactions of (73) million yen.
3. Segment profit (loss) is adjusted to reflect operating profit as recorded on the consolidated statements of income.
4. A part of businesses operated by Nichiyo Fresh Co., Ltd. was included in the Food Products Business due to changes in commercial distribution during the fiscal year ended February 28, 2021.

Year ended February 28, 2022

(Millions of Yen)

	Reportable segments					Other (Note 1)	Total	Adjustment (Note 2)	Carried on consolidated statements of income (Note 3)
	Food Products Business	Food Ingredients Business	Logistics Business	Food Engineering Business	Total				
Net sales									
Sales to external customers	162,502	13,393	13,260	3,132	192,288	38	192,326	–	192,326
Intersegment sales and transfers	–	2,514	4,898	192	7,605	961	8,567	(8,567)	–
Total	162,502	15,907	18,158	3,325	199,894	999	200,893	(8,567)	192,326
Segment profit (loss)	4,289	271	615	85	5,261	(138)	5,123	(681)	4,441
Segment assets	63,250	4,097	6,752	2,008	76,107	169	76,277	5,907	82,184
Other									
Amortization of goodwill	97	–	–	–	97	–	97	–	97
Depreciation	4,967	86	391	1	5,447	9	5,457	(278)	5,178
Investments to entities accounted for using equity method	1,360	–	–	–	1,360	–	1,360	–	1,360
Increase in property, plant and equipment and intangible assets	4,724	52	148	2	4,926	1	4,928	(9)	4,918

- 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 (681) million yen under the item of “Segment profit (loss)” includes an elimination of intersegment transactions of 435 million yen, as well as corporate expenses of (1,117) million yen, which are not allocated to the reportable segments.  
The adjustment of 5,907 million yen under the item of “Segment assets” includes an elimination of intersegment transactions of (22,176) million yen, as well as corporate assets of 28,083 million yen, which are not allocated to the reportable segments.  
The adjustment of (278) million yen under the item of “Depreciation” includes an elimination of intersegment transactions of (280) million yen and depreciation of 1 million yen related to corporate assets, which are not allocated to the reportable segments.  
The adjustment of (9) million yen under the item of “Increase in property, plant and equipment and intangible assets” includes an elimination of intersegment transactions of (9) million yen.
3. Segment profit (loss) is adjusted to reflect operating profit as recorded on the consolidated statements of income.