

Company Name: Warabeya Nichiyo Holdings Co., Ltd.  
 Representative: Hideo Tsuji, Representative Director, President  
 (Securities code: 2918, Tokyo Stock Exchange, Prime Market)  
 Contact: Naoshi Asano, Director, Senior Managing Executive  
 Officer  
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## Notice Regarding the Business Acquisition by a Subsidiary of the Company

Warabeya Nichiyo Holdings Co., Ltd. (hereinafter the “Company”) has decided today to conclude a basic agreement between its consolidated subsidiary Warabeya Co., Ltd. (hereinafter the “Subsidiary”) and Higashiya Delica Co., Ltd. (hereinafter “Higashiya Delica”) regarding the transfer of Higashiya Delica’s food manufacturing business to the Subsidiary as follows.

### 1. Reasons for the Business Acquisition by the Subsidiary

To deal with changes in the external environment surrounding the Group and achieve sustainable growth, the Company has been working to rebuild its production system and enter new growing categories as its key measures in its main domestic food products business. In addition, the Company has considered the review of the sales portfolio in that business as one of its issues.

To enter the noodle category, bread category and other businesses in the Tokyo metropolitan area as part of the above initiatives, the Company has decided to conclude a basic agreement between Higashiya Delica, which like the Group runs a food manufacturing business for Seven-Eleven, and the Subsidiary to transfer the food manufacturing business from Higashiya Delica to the Subsidiary.

### 2. Outline of the Transferor in the Business Acquisition

(1) Name	Higashiya Delica Co., Ltd.	
(2) Location	38-8 Miyamoto-cho, Itabashi-ku, Tokyo, Japan	
(3) Representative	Osamu Hagiwara, Representative Director and President	
(4) Business	Manufacture and sales of cooked noodles, baked bread products, etc. for Seven-Eleven	
(5) Capital	¥80 million	
(6) Established	March 15, 1990	
(7) Net assets	¥(2,065) million (Year ended March 31, 2022)	
(8) Total assets	¥4,803 million (Year ended March 31, 2022)	
(9) Major shareholder and shareholding ratio	100% by S&B Foods Inc.	
(10) Relation between the Company and the transferor	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	Not applicable
	Relationship with related parties	Not applicable

### 3. Details of the Business Acquisition

#### (1) Details of the division to be acquired

The business that manufactures products at the factories of Higashiya Delica and supplies them to Seven-Eleven stores

#### (2) Net sales and ordinary profit of the division to be acquired in the previous fiscal year

Fiscal period	Year ended March 31, 2022
Net sales	¥13,098 million
Ordinary profit	¥776 million (For Higashiya Delica overall, including the headquarters operations)

#### (3) Assets and liabilities of the division to be acquired, and the amounts

	Details	Book value (March 31, 2024) (planned)
Assets to be acquired	Buildings of Higashiya Delica's Kita-Kanto Plant <sup>(*1)</sup> and equipment, etc. <sup>(*2)</sup> at Higashiya Delica's plants as agreed upon by the parties	Approximately ¥1.1 billion
Liabilities to be acquired	Lease obligations, etc. associated with leased assets	Approximately ¥0.02 billion

#### \*1 Outline of the Kita-Kanto Plant

(1) Location	1237 Shindo-cho, Ota-shi, Gunma, Japan
(2) Floor area	7,859 m <sup>2</sup> (2,377 <i>tsubo</i> )
(3) Type of structure	Three-story, steel-frame building
(4) Main equipment	Production equipment (baked bread product line, donut line and rice gratin line) and wastewater treatment equipment
(5) Production capacity	250,000 meals (baked bread products, donuts and rice gratin) per day

\*2 The Company plans to acquire the land of the Kita-Kanto Plant separately from S&B Garlic Foods Co., Ltd., which is a wholly owned subsidiary of S&B Foods Inc., Higashiya Delica's wholly owning parent company.

#### (4) Acquisition cost and settlement method

Acquisition cost: Approximately ¥2.4 billion (Approximate amount excluding the land of the Kita-Kanto Plant)

Settlement method: Bank transfer

#### 4. Outline of the Subsidiary

(1) Name	Warabeya Co., Ltd.
(2) Location	13-19 Tomihisa-cho, Shinjuku-ku, Tokyo, Japan
(3) Representative	Minoru Tanamoto, Representative Director and President
(4) Business	Manufacture and sales of ready-to-eat meals
(5) Share capital	¥10 million
(6) Established	September 13, 2022
(7) Number of shares outstanding	100
(8) Fiscal period	End of February
(9) Major shareholder and shareholding ratio	100% by Warabeya Nichiyo Holdings Co., Ltd.

\* Because a fiscal year has not been completed, the financial position and operating results for the previous fiscal year are not shown.

#### 5. Schedule of the Business Acquisition

Date of decision by Directors (Subsidiary):	October 7, 2022
Date of basic agreement:	October 7, 2022
Date of final agreement:	February 2024 (planned)
Annual General Meeting of Shareholders for approving business transfer agreement (Subsidiary):	February 2024 (planned)
Period of business acquisition:	March 2024 (planned)
	The business acquisition is planned to be conducted on several days.

#### 6. Outline of Accounting Treatment

This business acquisition is expected to fall under the category of “acquisition” based on the Accounting Standard for Business Combinations. We are currently reviewing the amounts to be recorded for goodwill, intangible assets, etc. associated with this treatment.

#### 7. Future Outlook

Although the impact on the consolidated financial results for the fiscal year ending February 28, 2023 will be immaterial, the Company has determined that this business acquisition will contribute to improved financial results over the medium to 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.