

January 27, 2023

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 Business Withdrawal of Our Subsidiary

Warabeya Nichiyo Holdings Co., Ltd. (hereinafter the “Company”) has decided today to withdraw from the business of its consolidated subsidiary Prosystas Co., Ltd. (hereinafter the “Subsidiary”) as follows.

### 1. Reasons for the Business Withdrawal

Since its establishment in January 1979, the Subsidiary has expanded its business by doing business with the Company’s group companies and other food manufacturers, mainly in the field of selling food production machineries and equipment.

However, earnings have declined due to the impact of a decrease in demand for equipment, difficulties in procuring machine parts and other factors accompanying the prolonged impact of the novel coronavirus disease (COVID-19), and the outlook for a recovery in earnings is uncertain. Under these circumstances, as a result of comprehensively taking into account the future business development, we have decided to withdraw from all its businesses.

### 2. Outline of the Subsidiary

(1) Name	Prosystas Co., Ltd.		
(2) Location	13-15 Tomihisa-cho, Shinjuku-ku, Tokyo		
(3) Representative	Tsunehisa Shirai, Representative Director, President		
(4) Business	Sales and installation of food production machineries and equipment, and repair, maintenance, inspections, etc.		
(5) Capital and shareholding ratio	¥20 million 100% by the Company		
(6) Established	January 20, 1979		
(7) Financial results and number of employees of the Subsidiary for the last three years			
Fiscal period	Year ended February 28, 2021	Year ended February 28, 2022	Nine months ended November 30, 2022
Net sales	¥3,375 million	¥3,325 million	¥352 million
Ordinary profit	¥(20) million	¥82 million	¥(68) million
Profit	¥44 million	¥84 million	¥(49) million
Number of employees	24	21	18

3. Handling of Employees belonging to the Subsidiary

Employees of the Subsidiary will be transferred to one of the Company's group companies.

4. Schedule of the Business Withdrawal

Date of completion of business withdrawal: February 29, 2024 (planned)

5. Future Outlook

The impact of this decision on the consolidated financial results for the current fiscal year is negligible.

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.