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Summary of Consolidated Financial Results for the Year Ended February 28, 2025 (Based on Japanese GAAP)

April 10, 2025

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 Hideo Tsuji
 Inquiries: Director, Senior Managing Executive Officer Naoshi Asano TEL 03-5363-7010
 Scheduled date of ordinary general meeting of shareholders: May 22, 2025
 Scheduled date to file Securities Report: May 23, 2025
 Scheduled date to commence dividend payments: May 23, 2025
 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, 2025 (from March 1, 2024 to February 28, 2025)

(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, 2025	222,467	7.5	4,515	(29.2)	4,898	(28.2)	2,679	(37.3)
Year ended February 29, 2024	207,009	6.5	6,380	28.0	6,824	47.4	4,273	52.0

(Note) Comprehensive income: Year ended February 28, 2025: ¥5,249 million [9.8%]
 Year ended February 29, 2024: ¥4,782 million [18.6%]

	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, 2025	153.41	—	4.9	4.4	2.0
Year ended February 29, 2024	244.71	—	8.2	7.0	3.1

(Reference) Equity in earnings of affiliates: Year ended February 28, 2025: ¥118 million
 Year ended February 29, 2024: ¥106 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 29, 2025	120,924	59,124	46.9	3,244.20
As of February 28, 2024	101,960	54,309	52.3	3,051.98

(Reference) Equity capital: As of February 28, 2025: ¥56,670 million
 As of February 29, 2024: ¥53,300 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, 2025	12,478	(20,670)	8,255	8,450
Year ended February 29, 2024	9,372	(13,542)	845	8,122

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 29, 2024	—	45.00	—	45.00	90.00	1,585	36.8	3.0
Year ended February 28, 2025	—	45.00	—	45.00	90.00	1,585	58.7	2.9
Year ending February 28, 2026 (Forecast)	—	45.00	—	45.00	90.00		40.3	

(Note) Total cash dividends for the year ended February 29, 2024 and the year ended February 28, 2025, respectively, include dividends of ¥13 million and ¥13million paid for shares of the Company held by the BIP Trust.

3. Forecast of consolidated financial results for the year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

(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, 2025	117,000	3.0	3,800	(10.7)	3,700	(19.8)	2,700	(3.8)	154.57
Full year	231,500	4.1	6,000	32.9	5,900	20.4	3,900	45.5	223.26

Notes

(1) Significant changes in the scope of consolidation the year ended February 28, 2025 Yes

Newly included: - companies (Company name:)

Excluded: 1 company (Company name: Prosystas Co., Ltd.)

(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, 2025	17,625,660 shares	As of February 29, 2024	17,625,660 shares
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Number of treasury shares at the end of the period

As of February 28, 2025	157,455 shares	As of February 29, 2024	161,475 shares
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Average number of shares during the period

Year ended February 28, 2025	17,466,059 shares	Year ended February 29, 2024	17,464,229 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.

Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	8,122	8,450
Accounts receivable - trade	17,113	17,235
Merchandise and finished goods	1,805	2,080
Raw materials and supplies	1,962	2,347
Other	2,302	2,704
Allowance for doubtful accounts	(0)	—
Total current assets	31,306	32,818
Non-current assets		
Property, plant and equipment		
Buildings and structures	66,357	77,284
Accumulated depreciation	(35,413)	(39,175)
Buildings and structures, net	30,943	38,108
Machinery, equipment and vehicles	21,363	25,021
Accumulated depreciation	(16,044)	(17,569)
Machinery, equipment and vehicles, net	5,319	7,451
Land	12,814	13,040
Leased assets	9,953	10,022
Accumulated depreciation	(4,636)	(4,396)
Leased assets, net	5,316	5,625
Construction in progress	2,925	7,151
Other	4,996	6,975
Accumulated depreciation	(1,684)	(1,760)
Other, net	3,311	5,215
Total property, plant and equipment	60,632	76,593
Intangible assets		
Other	847	1,975
Total intangible assets	847	1,975
Investments and other assets		
Investment securities	1,150	1,136
Long-term loans receivable	91	90
Retirement benefit asset	903	1,218
Guarantee deposits	1,350	1,386
Deferred tax assets	3,158	3,264
Other	2,633	2,552
Allowance for doubtful accounts	(114)	(112)
Total investments and other assets	9,173	9,537
Total non-current assets	70,653	88,106
Total assets	101,960	120,924

	(Millions of yen)	
	As of February 29, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,730	9,637
Current portion of long-term borrowings	768	2,524
Lease liabilities	1,699	1,676
Accounts payable - other	7,875	8,864
Income taxes payable	487	269
Provision for bonuses	1,347	1,555
Other	1,217	1,118
Total current liabilities	22,126	25,647
Non-current liabilities		
Long-term borrowings	11,037	20,071
Lease liabilities	8,161	9,974
Retirement benefit liability	4,075	3,682
Provision for share awards for directors (and other officers)	270	302
Asset retirement obligations	1,582	1,525
Other	397	594
Total non-current liabilities	25,524	36,152
Total liabilities	47,650	61,799
Net assets		
Shareholders' equity		
Share capital	8,049	8,049
Capital surplus	8,100	8,100
Retained earnings	35,519	36,613
Treasury shares	(335)	(329)
Total shareholders' equity	51,333	52,433
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	291	271
Deferred gains or losses on hedges	5	(2)
Foreign currency translation adjustment	1,589	3,412
Remeasurements of defined benefit plans	80	555
Total accumulated other comprehensive income	1,966	4,236
Non-controlling interests	1,008	2,453
Total net assets	54,309	59,124
Total liabilities and net assets	101,960	120,924

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

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Net sales	207,009	222,467
Cost of sales	170,060	183,933
Gross profit	36,948	38,533
Selling, general and administrative expenses		
Transportation costs	12,658	13,753
Salaries, allowances and bonuses	6,560	7,168
Provision for bonuses	607	717
Depreciation	455	695
Rent expenses	1,051	1,193
Other	9,234	10,490
Total selling, general and administrative expenses	30,568	34,018
Operating profit	6,380	4,515
Non-operating income		
Interest income	13	96
Dividend income	289	377
Rental income	218	227
Subsidy income	73	105
Share of profit of entities accounted for using equity method	106	118
Other	207	121
Total non-operating income	909	1,047
Non-operating expenses		
Interest expenses	158	365
Rental costs	174	169
Loss on retirement of non-current assets	63	53
Other	68	76
Total non-operating expenses	464	664
Ordinary profit	6,824	4,898
Extraordinary losses		
Impairment losses	939	1,084
Total extraordinary losses	939	1,084
Profit before income taxes	5,885	3,813
Income taxes - current	1,341	1,145
Income taxes - deferred	294	(193)
Total income taxes	1,636	952
Profit	4,249	2,861
Profit (loss) attributable to non-controlling interests	(24)	181
Profit attributable to owners of parent	4,273	2,679

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Profit	4,249	2,861
Other comprehensive income		
Valuation difference on available-for-sale securities	49	(19)
Deferred gains or losses on hedges	2	(7)
Foreign currency translation adjustment	279	1,797
Remeasurements of defined benefit plans, net of tax	130	474
Share of other comprehensive income of entities accounted for using equity method	71	143
Total other comprehensive income	533	2,387
Comprehensive income	4,782	5,249
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,740	4,949
Comprehensive income attributable to non-controlling interests	42	299

(3) Consolidated statements of changes in equity

Fiscal year ended February 29, 2024

(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	33,183	(335)	48,998
Changes during period					
Dividends of surplus	—	—	(1,937)	—	(1,937)
Profit attributable to owners of parent	—	—	4,273	—	4,273
Purchase of treasury shares	—	—	—	(0)	(0)
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during period	—	—	2,336	(0)	2,335
Balance at end of period	8,049	8,100	35,519	(335)	51,333

	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	242	2	1,304	(50)	1,499	1,031	51,529
Changes during period							
Dividends of surplus	—	—	—	—	—	—	(1,937)
Profit attributable to owners of parent	—	—	—	—	—	—	4,273
Purchase of treasury shares	—	—	—	—	—	—	(0)
Net changes in items other than shareholders' equity	49	2	284	130	466	(23)	443
Total changes during period	49	2	284	130	466	(23)	2,779
Balance at end of period	291	5	1,589	80	1,966	1,008	54,309

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,049	8,100	35,519	(335)	51,333
Changes during period					
Dividends of surplus	—	—	(1,585)	—	(1,585)
Profit attributable to owners of parent	—	—	2,679	—	2,679
Purchase of treasury shares	—	—	—	(4)	(4)
Disposal of treasury shares	—	—	—	10	10
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during period	—	—	1,094	5	1,099
Balance at end of period	8,049	8,100	36,613	(329)	52,433

	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	291	5	1,589	80	1,966	1,008	54,309
Changes during period							
Dividends of surplus	—	—	—	—	—	—	(1,585)
Profit attributable to owners of parent	—	—	—	—	—	—	2,679
Purchase of treasury shares	—	—	—	—	—	—	(4)
Disposal of treasury shares	—	—	—	—	—	—	10
Net changes in items other than shareholders' equity	(19)	(7)	1,822	474	2,270	1,445	3,715
Total changes during period	(19)	(7)	1,822	474	2,270	1,445	4,815
Balance at end of period	271	(2)	3,412	555	4,236	2,453	59,124

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Cash flows from operating activities		
Profit before income taxes	5,885	3,813
Depreciation	4,970	7,502
Impairment losses	939	1,084
Increase (decrease) in allowance for doubtful accounts	0	(2)
Increase (decrease) in provision for bonuses	12	208
Increase (decrease) in retirement benefit liability	153	58
Interest and dividend income	(302)	(474)
Interest expenses	158	365
Share of loss (profit) of entities accounted for using equity method	(106)	(118)
Loss on retirement of non-current assets	63	53
Decrease (increase) in trade receivables	(1,197)	33
Decrease (increase) in inventories	(119)	(631)
Increase (decrease) in trade payables	222	846
Increase (decrease) in accounts payable - other	148	(662)
Other, net	541	865
Subtotal	11,368	12,944
Interest and dividends received	304	741
Interest paid	(162)	(349)
Income taxes paid	(2,138)	(857)
Net cash provided by (used in) operating activities	9,372	12,478
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,374)	(17,756)
Proceeds from sale of property, plant and equipment	100	58
Purchase of intangible assets	(698)	(88)
Payments for acquisition of businesses	—	(2,737)
Loan advances	(170)	(106)
Proceeds from collection of loans receivable	182	155
Other, net	(583)	(195)
Net cash provided by (used in) investing activities	(13,542)	(20,670)
Cash flows from financing activities		
Proceeds from long-term borrowings	5,676	11,628
Repayments of long-term borrowings	(965)	(962)
Repayments of lease liabilities	(1,862)	(1,967)
Dividends paid	(1,936)	(1,583)
Other, net	(65)	1,140
Net cash provided by (used in) financing activities	845	8,255
Effect of exchange rate change on cash and cash equivalents	257	264
Net increase (decrease) in cash and cash equivalents	(3,067)	328
Cash and cash equivalents at beginning of period	11,189	8,122
Cash and cash equivalents at end of period	8,122	8,450

(5) Notes to Consolidated Financial Statements

[Revenue Recognition]

1. Revenue from contracts with customers

Fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

(Millions of Yen)

	Reportable segments				Other (Note)	Total
	Food Production Businesses	Food Materials Businesses	Logistics Businesses	Total		
Japan	163,944	11,362	12,895	188,202	2,143	190,345
U.S.	16,633	—	—	16,633	—	16,633
Other	30	—	—	30	—	30
Revenue from contracts with customers	180,608	11,362	12,895	204,865	2,143	207,009
Other revenue	—	—	—	—	—	—
Sales to external customers	180,608	11,362	12,895	204,865	2,143	207,009

Note: The classification “Other” is the segment of businesses not included in the reportable segments, and includes Food Plant and Equipment, Design and Development Business.

Fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(Millions of Yen)

	Reportable segments			Total
	Food Production Businesses	Food Materials Businesses	Logistics Businesses	
Japan	171,074	11,377	12,658	195,110
U.S.	27,351	—	—	27,351
Other	5	—	—	5
Revenue from contracts with customers	198,430	11,377	12,658	222,467
Other revenue	—	—	—	—
Sales to external customers	198,430	11,377	12,658	222,467

[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 Production Business,” “Food Materials Business,” and “Logistics Business” according to their products and services.

The main business operations are as follows.

- Food Production Business: Manufacturing and sales of cooked foods such as cooked rice products, prepared bread products(Chilled bread), cooked noodle products, freshly baked bread products, side dishes, and Japanese chilled sweets.
- Food Materials Business: Procurement, processing and sales of food ingredients
- Logistics Business: Sorting and delivery of food products and ingredients

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 29, 2024

(Millions of Yen)

	Reportable segments				Other (Note 1)	Total	Adjustment (Note 2)	Carried on consolidated statements of income (Note 3)
	Food Production Businesses	Food Materials Businesses	Logistics Businesses	Total				
Net sales								
Sales to external customers	180,608	11,362	12,895	204,865	2,143	207,009	–	207,009
Intersegment sales and transfers	–	320	5,240	5,560	–	5,560	(5,560)	–
Total	180,608	11,683	18,135	210,426	2,143	212,570	(5,560)	207,009
Segment profit (loss)	5,929	323	704	6,958	173	7,131	(751)	6,380
Segment assets	83,888	4,927	6,813	95,629	917	96,546	5,413	101,960
Other								
Depreciation	4,727	13	388	5,129	0	5,130	(160)	4,970
Investments to entities accounted for using equity method	1,648	–	–	1,648	–	1,648	–	1,648
Increase in property, plant and equipment and intangible assets	13,993	53	138	14,184	–	14,184	506	14,691

- Notes: 1. The classification “Other” is the segment of businesses not included in the reportable segments, and includes Food Plant and Equipment, Design and Development Business.
2. The adjustment of (751) million yen under the item of “Segment profit (loss)” includes an elimination of intersegment transactions of 179 million yen, as well as corporate expenses of (930) million yen, which are not allocated to the reportable segments.
The adjustment of 5,413 million yen under the item of “Segment assets” includes an elimination of intersegment transactions of (28,289) million yen, as well as corporate assets of 33,703 million yen, which are not allocated to the reportable segments.
The adjustment of (160) million yen under the item of “Depreciation” includes an elimination of intersegment transactions of (175) million yen and depreciation of 15 million yen related to corporate assets, which are not allocated to the reportable segments.
The adjustment of 506 million yen under the item of “Increase in property, plant and equipment and intangible assets” includes an elimination of intersegment transactions of (85) million yen, as well as corporate assets of 592 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.

Year ended February 28, 2025

(Millions of Yen)

	Reportable segments				Adjustment (Note 1)	Carried on consolidated statements of income (Note 2)
	Food Production Businesses	Food Materials Businesses	Logistics Businesses	Total		
Net sales						
Sales to external customers	198,430	11,377	12,658	222,467	–	222,467
Intersegment sales and transfers	–	325	5,933	6,259	(6,259)	–
Total	198,430	11,702	18,592	228,726	(6,259)	222,467
Segment profit	4,245	510	681	5,437	(922)	4,515
Segment assets	106,321	4,831	6,626	117,778	3,145	120,924
Other						
Depreciation	7,236	19	379	7,634	(131)	7,502
Impairment losses	1,054	30	–	1,084	–	1,084
Investments to entities accounted for using equity method	1,643	–	–	1,643	–	1,643
Increase in property, plant and equipment and intangible assets	22,744	20	86	22,850	(2)	22,848

- Notes: 1. The adjustment of (922) million yen under the item of “Segment profit” includes an elimination of intersegment transactions of 231 million yen, as well as corporate expenses of (1,153) million yen, which are not allocated to the reportable segments.
The adjustment of 3,145 million yen under the item of “Segment assets” includes an elimination of intersegment transactions of (44,344) million yen, as well as corporate assets of 47,489 million yen, which are not allocated to the reportable segments.
The adjustment of (131) million yen under the item of “Depreciation” includes an elimination of intersegment transactions of (125) million yen and depreciation of (6) million yen related to corporate assets, which are not allocated to the reportable segments.
The adjustment of (2) million yen under the item of “Increase in property, plant and equipment and intangible assets” includes an elimination of intersegment transactions of (2) million yen.
2. Segment profit is adjusted to reflect operating profit as recorded on the quarterly consolidated statements of income.