

May 27, 2026

Company Name: Warabeya Nichiyo Holdings Co., Ltd.
Representative: Hideo Tsuji, Representative Director, President
(Securities code: 2918, Tokyo Stock Exchange, Prime Market)
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**Notice of Actions to Implement Management that is
Conscious of Cost of Capital and Stock Price (Update)**

Warabeya Nichiyo Holdings Co., Ltd. hereby provides notification that at a meeting of the Board of Directors, it has reviewed the content of its "Actions to Implement Management that is Conscious of Cost of Capital and Stock Price" announced on July 9, 2024 and decided on the changes today.

Please refer to the attached document for details.

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.



Actions to Implement Management Conscious of Cost of Capital and Stock Price (Update)

May 27, 2026

Warabeya Nichiyo Holdings Co., Ltd.
(2918; Tokyo Stock Exchange, Prime Market)

Analysis of Current Situation

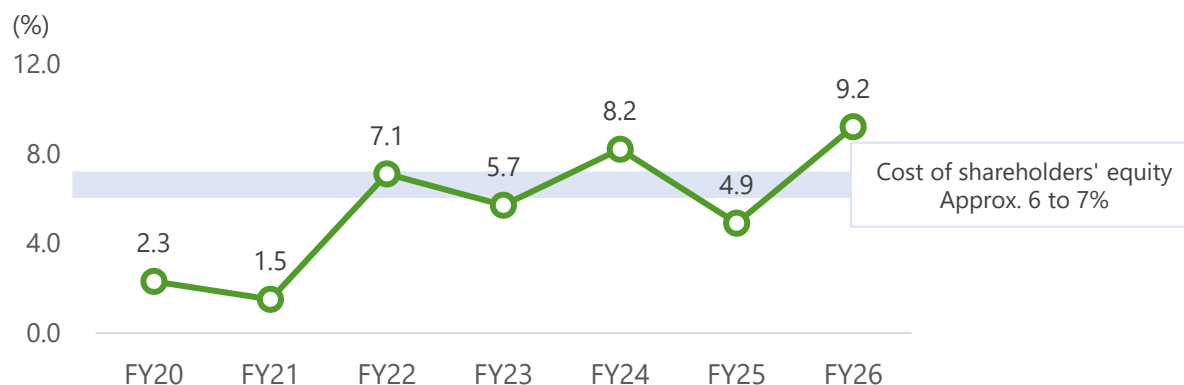
ROE: Medium- to long-term upward trend, exceeding cost of shareholders' equity in FY2/2026

P/B ratio: Although improving, market valuation remains limited relative to the level of ROE

ROE

ROE improved to 9.2% in FY2/2026. FY2/2027 is expected to be slightly lower than the previous year's level.

We will continue to improve profitability and capital efficiency to achieve the Medium-term Management Plan target of 10% ROE.

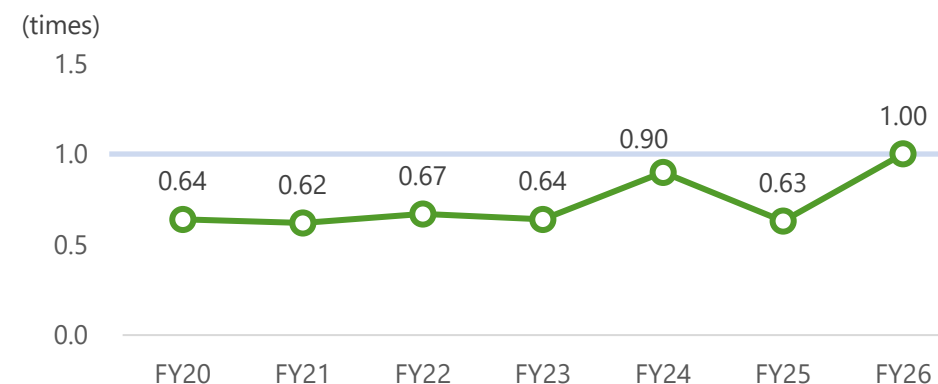


ROE = Profit (Attributable to owners of parent) / Equity
(Average of beginning and ending amounts)

P/B ratio

While ROE has improved to a level above the assumed cost of shareholders' equity, this achievement has not been fully reflected in our stock price as market valuation.

Although the P/B ratio was 1x at the end of FY2/2026, it has fallen below 1x recently.



P/B ratio = Stock price at end of term (adjusted) / Net assets per share
(Net assets and total number of shares are those at the end of the fiscal year)

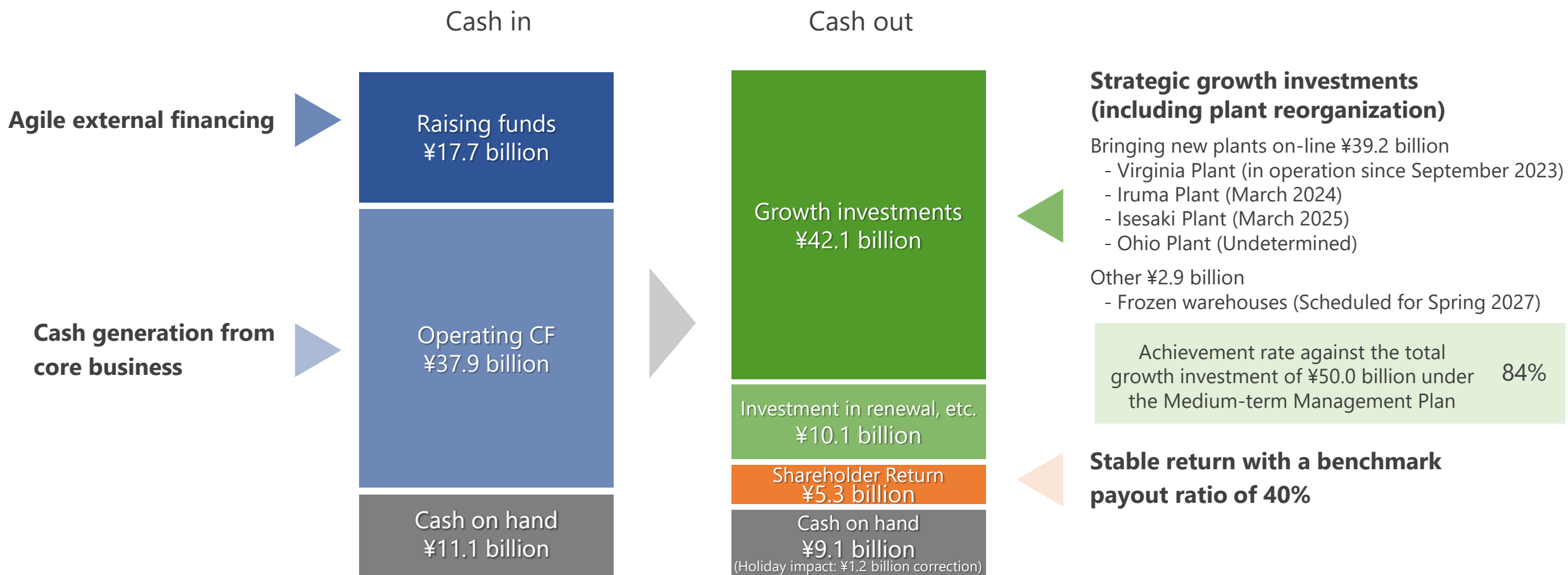
Efforts to improve P/B ratio

Aiming to enhance corporate value by expanding our earnings base and pursuing capital efficiency



Cash Allocation 3-year Results (FY2/2024-FY2/2026)

Executed strategic growth investments as planned and shifted to an asset portfolio that enhances future cash generation potential



Performance Trend

- Moving beyond the upfront investment phase associated with structural reforms and entering a stage of improved profitability
- Aiming to achieve the Medium-term Management Plan target for FY2/2028 (ROE of 10.0% or more)

(Billions of yen)	FY2/2023	FY2/2024	FY2/2025	FY2/2026	FY2/2027 (Forecast)	FY2/2028 (Target)
Net sales	194.4	207.0	222.4	233.8	241.0	250.0
Operating profit	4.9	6.3	4.5	7.4	7.7	10.0
ROE	5.7%	8.2%	4.9%	9.2%	7.9%	10.0% or more
Equity	50.4	53.3	56.6	59.4	-	-

← Current Medium-term Management Plan period →

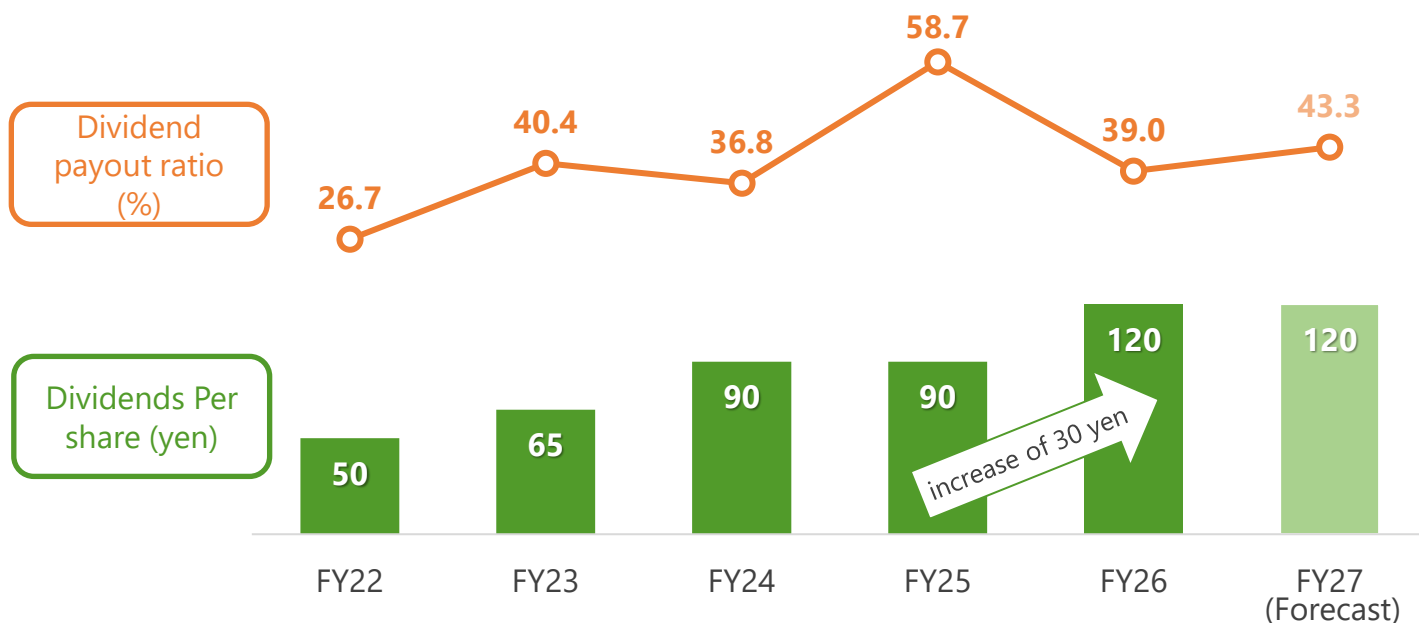
Shareholder Return/Financial leverage

Aiming to improve capital efficiency through shareholder return and the use of interest-bearing debt

Shareholder Return

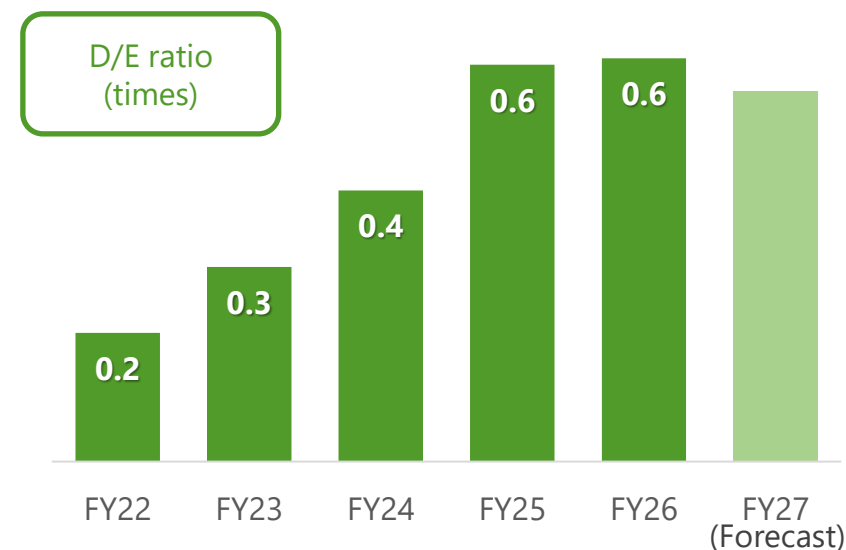
Shareholder return will be primarily through dividends, while prioritizing investment for growth

Promotion through stable and continuous dividend payments with a target payout ratio of 40%



Financial leverage

By using interest-bearing debt, we will strive to maintain and improve capital efficiency without bloating shareholders' equity



IR/Sustainability

Reduce cost of capital through dialogue with capital markets and enhanced disclosure of non-financial information

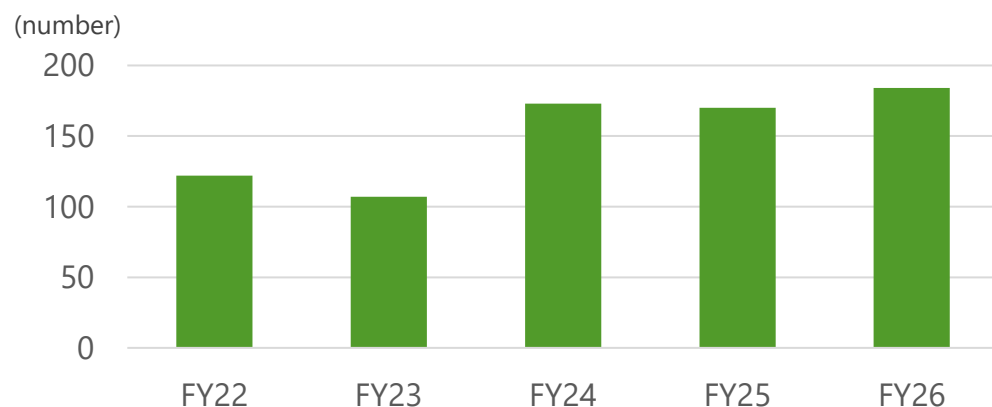
IR Activities

Enhancement of information disclosure

- Simultaneous disclosure of materials in both Japanese and English
- Posting of non-financial information on the website

Plant tours, implementation of overseas IR activities

Annual number of interviews
(institutional investors and analysts)



Sustainability Strategy

Strengthening governance

- Ensure compliance
- Strengthening the supervisory function of the Board of Directors

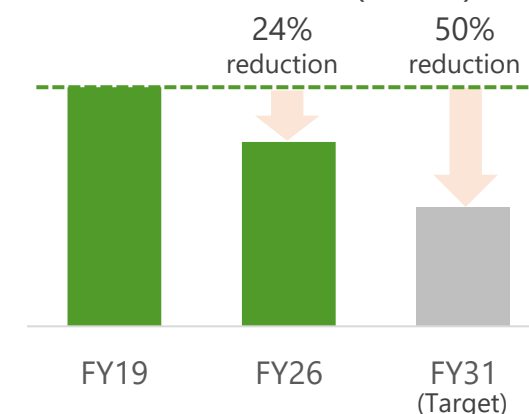
Human capital initiatives

- Improve employee engagement
- Promoting diversity management

Environmental initiatives

- Reduction of CO2 and industrial waste emissions
- Reduction of food loss through longer freshness

GHG emissions(t-CO2)



*The above figures are for Warabeya Nichiyo Holdings, Co., Ltd. and its domestic group companies (including targets).



This document contains “forward-looking statements” based on the Company’s plans, forecast, business strategies and policies at the time of preparation.

These statements include the Company’s managerial judgments and assumptions made based on information available before its announcement, and actual results may differ materially from those anticipated in the statements due to changes in various factors.

Therefore, the Company undertakes no obligation to guarantee that these “forward-looking statements” including earnings forecast described in this document will be valid in the future.