



February 27, 2019

Company name: Warabeya Nichiyo Holdings Co., Ltd.  
Representative: Hiroyuki Otomo, Representative Director, President  
(Securities code: 2918, Tokyo Stock Exchange First Section)  
Contact: Naoshi Asano, Director, Managing Executive Officer  
(Tel: 03-5363-7010)

## Notice of Extraordinary Loss on Closing of Iruma Plant and Transfer of Fixed Assets

At the Board of Directors meeting held on February 27, 2019, Warabeya Nichiyo Holdings Co., Ltd. (the “Company”) resolved to close Iruma Plant and transfer fixed assets as detailed below.

As a result, the Company will record extraordinary losses in the fiscal year ending February 28, 2019.

### 1. Reasons for the Closure of the Plant and the Transfer of the Fixed Assets

As part of our efforts to improve the efficiency of our production system, we decided to close Iruma Plant operated by our consolidated subsidiary Warabeya Nichiyo Co., Ltd. (hereafter, "Warabeya Nichiyo"), and decided to transfer the fixed assets to our consolidated subsidiary Prosystas Co., Ltd. (hereafter, "Prosystas").

The closure is scheduled to be around January 2020, until when it will be leased to and managed by Warabeya Nichiyo from the time of the transfer to the time of the closure.

After the closure of this plant, we plan to make the building renovated by Prosystas and use it as a distribution center for our group. In addition, the production function of this plant will be transferred to another plant of our group.

### 2. Details of the Transferred Assets:

Descriptions and Location of the Fixed Assets	Transfer price	Book value	Transfer loss	Current use
Land and Buildings 4035-2, Miyanodai, Miyadera, Iruma-shi, Saitama, Japan	¥135 million	¥810 million	¥675 million	Iruma Plant

\* The transfer price is a fair value based on the market price.

### 3. Summary of the Transferee

(1) Name	Prosystas Co., Ltd.
(2) Address	4-3-25, Kumegawa-cho, Higashimurayama-shi, Tokyo, Japan
(3) Representative	Shingo Ohno, President and Representative Director
(4) Business Description	Sale of food production facilities
(5) Capital	¥20 million
(6) Established	January 20, 1979
(7) Net assets	¥763 million (As of the end of February 2018)
(8) Total assets	¥6,719 million (As of the end of February 2018)
(9) Major Shareholders and Shareholding Ratio	Warabeya Nichiyo Holdings Co., Ltd. 100%
(10) Relationships with the Company	
Capital Relationship	Wholly owned consolidated subsidiary of the Company.
Personal Relationship	There are common directors between the companies.
Transactional Relationship	The Company leases funds and provides management guidance to this company.
Applicability of the Related Party Category	This company is a consolidated subsidiary of the Company and therefore falls under the Related Party Category.

### 4. Schedule of the Transfer

Date of the Resolution of the Board of Directors: February 27, 2019

Date of the Transfer Agreement: February 27, 2019

Date of the Transfer: February 28, 2019 (planned)

### 5. Impact to the Financial Forecasts

As a result of the above extraordinary loss in addition to the recording of extraordinary income disclosed in the "Notice of Extraordinary Income" dated December 19, 2018, the Company has not revised its Financial Forecasts for the fiscal year ending February 28, 2019 announced on September 25, 2018.