



December 19, 2018

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
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Notice of Extraordinary Income

Warabeya Nichiyo Holdings Co., Ltd. (the “Company”) intends to record extraordinary income in the fiscal year ending February 28, 2019, as detailed below.

1. Recording of Extraordinary Income

Consolidated subsidiary Nichiyo Co., Ltd. previously recorded provisions for loss on loans extended to its subsidiary Nichiman Co., Ltd., a non-consolidated subsidiary of Warabeya Nichiyo Holdings Co., Ltd., and provisions for loss on guarantees for loans received by Nichiman Co., Ltd.

Today, Nichiyo Co., Ltd. recovered its loans from Nichiman Co., Ltd. and the guarantees it provided to Nichiman Co., Ltd. for loans received from financial institutions were cancelled. As a result, the Company will record extraordinary income of ¥535 million on reversal of provision of allowance for doubtful accounts for subsidiaries and associates and extraordinary income of ¥242 million on reversal of provision for loss on guarantees of subsidiaries and associates.

2. Background

The Group had operated an eel farming business through Nichiman Co., Ltd., but it has decided to withdraw from the business and sell all its shares in the company.

In conjunction with the sale of the shares, the above loans to the company were repaid and the guarantees on loans received from financial institutions were cancelled.

3. Impact to Financial Forecasts

In addition to the above extraordinary income, the Company intends to separately record extraordinary losses on the sale of fixed assets. As a result, the Company has not revised its financial forecasts for the fiscal year ending February 28, 2019.

The Company will disclose details about the sale of the fixed assets as soon as the transaction is finalized.