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August 26, 2024

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### **Notice Concerning Earnings Forecasts of the Company's Subsidiary (Shimadaya Corporation)**

The Company hereby announces that the Company's subsidiary Shimadaya Corporation has released the following "Earnings Forecasts for the Fiscal Year Ending March 31, 2025," as attached hereto in the appendix.

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(Attached materials) Appendix: "Earnings Forecasts for the Fiscal Year Ending March 31, 2025"  
(Disclosure document of Shimadaya Corporation released on August 26, 2024)

Company name: Shimadaya Corporation  
Name of representative: Kenji Okada, President and CEO  
(Securities code: 250A Tokyo Stock  
Exchange Standard Market)  
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### **Earnings Forecasts for the Fiscal Year Ending March 31, 2025**

The Group's consolidated earnings forecasts for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025) are as follows.

[Consolidated] (Unit: Millions of yen, %)

Fiscal year Items	Fiscal year ending March 31, 2025 (Forecast)		Three months ended June 30, 2024 (Actual results)		Fiscal year ended March 31, 2024 (Actual results)	
	% of net sales	% of previous fiscal year	% of net sales	% of net sales		
Net sales	39,583	100.0	10,351	100.0	38,973	100.0
Operating profit	2,930	7.4	1,145	11.1	3,353	8.6
Ordinary profit	2,944	7.4	1,183	11.4	3,474	8.9
Profit attributable to owners of parent	2,058	5.2	841	8.1	2,524	6.5
Earnings per share	135.35 yen		55.34 yen		166.05 yen	
Dividend per share	40.00 yen		-		567.00 yen (394.43 yen)	
(Reference) Dividend per share (Pre-listing)	20.00 yen (Ordinary dividend, interim dividend)		-		567.00 yen (394.43 yen)	
(Reference) Dividend per share (Post-listing)	20.00 yen (Ordinary dividend, year-end dividend)		-		-	

- Notes: 1. Earnings per share and dividend per share for the fiscal year ended March 31, 2024 (actual results), the three months ended June 30, 2024 (actual results), and the fiscal year ending March 31, 2025 (forecast) have been calculated based on the average number of shares outstanding during the respective fiscal period.
2. The Company's parent company MELCO HOLDINGS INC. ("Melco Holdings") plans to distribute all of its holdings of the Company's shares to its shareholders through dividends in kind (dividends of property other than cash) (the "Spin-off"), with October 1, 2024 serving as the effective date. To ensure a 1:1 delivery ratio of the Company's common share issuance relative to the number of outstanding shares of Melco Holdings, the share split has been conducted on the basis of 1.43749676211724 shares per one common share on July 31, 2024. Meanwhile, earnings per share have been calculated enlisting the assumption that the share split was conducted at the beginning of the fiscal year ended March 31, 2024. Dividend per share for the fiscal year ended March 31, 2024 (actual result) calculated based on the share split are stated in parenthesis.

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Moreover, the plans, estimates, forecasts, projections, and other forward-looking statements regarding the Group presented in this news release are based solely on the Company's judgments and views prevailing at the time of preparing this news release. As such, the actual financial status, business performance, and other results of the Group may vary significantly from content of this news release or what can be inferred from such content due to factors that include changes in economic conditions, changes in the market environment, competition with other companies, and foreign exchange rate volatility.

3. The Company will seek to maintain a consistent delivery ratio with respect to the Company's common shares under the Spin-off. Upon request for purchase of fractional shares of less than one unit made with respect to Melco Holdings from July 11, 2024 until September 24, 2024, the Company accordingly intends to purchase treasury shares from Melco Holdings on September 27, 2024, so that the number of the Company's common shares is equivalent to that of the Melco Holdings common shares subject to such purchase request. The Company then intends to retire the purchased treasury shares on the same date. Whereas the number of outstanding shares of the Company is subject to decrease by the number of retired shares in that case, the effect of this has not been taken into account.
4. The dividends for the fiscal year ended March 31, 2024 constitute special dividends paid to Melco Holdings.
5. The Company intends to pay dividends for the fiscal year ending March 31, 2025 (forecast) amounting to 40.00 yen (interim dividend of 20.00 yen and year-end dividend of 20.00 yen). Melco Holdings constitutes the recipient of the interim dividend given that the September 30, 2024 record date of the interim dividend is prior to the effective date of the Spin-off.

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[Assumptions underlying the earnings forecasts for the fiscal year ending March 31, 2025]

(Overall Group outlook)

The Group consists of five companies, which includes the Company (Shimadaya Corporation) and its consolidated subsidiaries (Shimadaya Kanto Co., Ltd., Shimadaya Tohoku Co., Ltd., Shimadaya Nishi-Nihon Co., Ltd., and Shimadaya Shoji Co., Ltd.), and primarily engages in noodle manufacturing and sales.

Guided by its corporate philosophy “Dedication to Service,” the Group focuses on “quality” and “brands” with the management concept “We deliver delicious smiles.” The Group strives to bring these smiles to customers by providing safe and secure products. We furthermore seek to help create a sustainable society by promoting initiatives that include developing and enhancing products geared to extending healthy life expectancy, reducing plastic consumption, and increasing use of domestic raw materials.

Although economic activity has returned to normal given that restrictions associated with the COVID-19 pandemic have been lifted, the business environment surrounding the food products industry will remain subject to adversity during the fiscal year ending March 31, 2025. Such challenges include labor shortages, escalating personnel expenses and rising logistics costs associated with Japan’s decreasing population, declining birthrate and aging demographic, in addition to procurement uncertainties and surging prices for raw materials, supplies, and energy, attributable to factors such as changing geopolitical circumstances and progressive depreciation of the yen.

Amid these circumstances, the Group embarked on its new three-year medium-term management plan effective from the fiscal year ending March 31, 2025. We have accordingly been striving to enhance earnings in seeking to achieve sustainable growth of the Group’s core operations consisting of the home use and the business use. To such ends, we have established a basic policy of “challenging ourselves to deepen our core business and drive profit growth, and reshaping our revenue structure,” which involves: integrating planning and development, production, and sales with the aim of maximizing business profits; developing and improving new products that furthermore offer high added value better aligned with customer needs; investing in manufacturing equipment and strengthening production systems in seeking automation and labor savings, and; increasing sales to geographic regions and target markets with growth potential.

As a result of the circumstances above, the consolidated earnings forecasts for the fiscal year ending March 31, 2025 remain unchanged from those established at the beginning of the fiscal year in projecting net sales of 39,583 million yen (up 1.6% YoY), operating profit of 2,930 million yen (down 12.6% YoY), ordinary profit of 2,944 million yen (down 15.3% YoY), and profit attributable to owners of parent of 2,058 million yen (down 18.5% YoY).

The Group tends to generate a higher proportion of its sales and profits during the second quarter given a concentration of sales during the July through August peak demand period for its mainstay Ryusui-men brand products and other such seasonal summer items.

Segment information has been omitted because it is deemed as lacking in significance given that the food sector constitutes the Group’s sole business segment.

(Net sales)

Whereas the food sector constitutes the Group’s sole business segment, the Group’s operations are divided into separate business units based on managerial classifications within the Group. Accordingly, the Group’s operations are categorized into two business domains: operations for home use encompassing production and sales of general household items, and operations for business use encompassing production and sales of restaurant products and ready-made food items.

In formulating projections for net sales, we take into account factors such as sales policy and market trends applicable to the upcoming fiscal year, enlisting data that includes product-specific sales volume and unit prices of the previous fiscal year, along with monthly trends leading up to the date on which budgets are set.

For the fiscal year ending March 31, 2025, we anticipate net sales of 24,803 million yen (up 2.3% YoY) in the operations for home use amid a strong market underpinned by persistently high demand for home-cooked meals

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driven by a cost-conscious mindset. The projected increase in net sales is attributable efforts that will involve strengthening promotions of the Group's mainstay Ryusui-men brand products and higher sales volume of such products due to an extended period of warm weather, and also attributable to efforts to boost sales in western Japan, which offers growth potential particularly with respect to the cost-effective Taikoban brand products.

The home use operations achieved net sales of 6,643 million yen in the first three months of the fiscal year ending March 31, 2025, which largely aligns with our projections.

In the operations for business use, we anticipate net sales of 14,780 million yen, on par with the previous fiscal year, amid a scenario of market expansion due to factors that include robust performance of the restaurant industry and escalating inbound demand persisting since the government lifted restrictions that had been imposed on movement accompanying the COVID-19 pandemic. The prospect of unchanged net sales performance reflects the likelihood that sales volume will remain at the same level as that of the previous fiscal year partially due to our discontinuation of some products in order to secure production capacity, and despite efforts taken to strengthen sales by overhauling production systems to meet demand.

The business use operations achieved net sales of 3,708 million yen in the first three months of the fiscal year ending March 31, 2025, which largely aligns with our projections.

In light of these results, we project net sales for the Group of 39,583 million yen (up 1.6% YoY).

#### (Cost of sales)

In formulating projections for cost of sales, we take into account factors that include production and workforce plans drawn up based on the aforementioned sales forecasts, trends in raw material and energy prices, and capital investment plans.

For the fiscal year ending March 31, 2025, manufacturing and labor costs are poised to increase by 3.0% YoY due to wage adjustments, but that is likely to be offset by cost reductions attributable to factors such as revisions in product specifications and production streamlining. With respect to raw material prices, whereas the price of wheat flour, our main ingredient, is trending downward, overall raw material costs are poised to remain on par with those of the previous fiscal year due to rising prices of other raw materials and supplies. We have conservatively estimated that energy prices will rise by 8.0% YoY based on the assumption that the government will not provide new support measures upon expiration of its current round of support. We are holding to our conservative forecast for energy prices even though the government has announced provisions that include the prospect of emergency financial assistance for coping with extremely hot weather. Depreciation is also likely to increase by 6.8% YoY due to capital investment in production facilities.

Cost of sales incurred by the Group amounted to 7,177 million yen in the first three months of the fiscal year ending March 31, 2025.

In light of these results, we project cost of sales for the Group of 27,980 million yen (up 2.4% YoY).

#### (Selling, general and administrative expenses, operating profit)

Selling, general and administrative expenses mainly consist of logistics costs associated with net sales, expenses for advertising budgeted on the basis of promotion plans, and personnel expenses incurred by administrative units of the Company and its subsidiaries derived from previous fiscal year results.

We anticipate a sharp increase in logistics costs of 10.0% YoY due to Japan's so-called 2024 problem in logistics, an increase in personnel expenses of 4.0% YoY due to wage adjustments, an increase in depreciation of 37.5% YoY largely due to investment in R&D and IT systems, and commission expenses incurred for listing of shares.

Selling, general and administrative expenses incurred by the Group amounted to 2,028 million yen in the first three months of the fiscal year ending March 31, 2025.

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In light of these results, we project selling, general and administrative expenses for the Group of 8,670 million yen (up 4.4% YoY) and operating profit of 2,930 million yen (down 12.6% YoY), with the decrease due to higher cost of sales associated with rising raw material and supply prices and higher selling, general and administrative expenses attributable to rising logistics costs and personnel expenses.

(Non-operating expenses (income), ordinary profit)

Non-operating expenses (income) are projected based on past performance accounting for gains and losses that inevitably occur each fiscal period and are also certain to occur in the current fiscal year.

We project non-operating income of 77 million yen (down 42.9% YoY). This mainly consists of interest and dividend income, royalty income, and miscellaneous income. The difference from the previous fiscal year is primarily attributable to national subsidies associated with capital investment by production subsidiaries.

We project non-operating expenses of 63 million yen (up 381.2% YoY). This mainly consists of miscellaneous losses, with the difference from the previous fiscal year primarily attributable to costs associated with listing of shares.

In light of these results, we project ordinary profit for the Group of 2,944 million yen (down 15.3% YoY).

(Extraordinary losses (income))

Although we anticipate extraordinary losses incurred due to loss on retirement of non-current assets, the impact on financial performance is negligible.

(Profit attributable to owners of parent)

We project profit attributable to owners of parent of 2,058 million yen (down 18.5% YoY). Profit attributable to owners of parent is calculated by subtracting income taxes and other tax expenses from profit before income taxes, with income taxes determined by applying the statutory effective tax rate to profit before income taxes.

[Cautionary statement regarding earnings forecasts]

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Actual business results may differ due to various factors.

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