



April 22, 2022

Company Name: House Foods Group Inc.
Representative: Hiroshi Urakami, President
(Securities Code: 2810, TSE Prime Market)
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Notice of Establishment of Subsidiary in Thailand and Group Realignment Associated with Investment in Kind (Capital Increase) to Said Subsidiary

House Foods Group Inc. (the “Company”) hereby announces that at a meeting of its Board of Directors held on November 19, 2021, it resolved to establish House Foods Group Asia Pacific Co., Ltd. in April 2022 in Bangkok, Thailand.

On April 22, 2022, the Company resolved at a meeting of the Board of Directors to make investment in kind (capital increase) of equity interest held in House Osotspa Foods Co., Ltd., a subsidiary of the Company, to House Foods Group Asia Pacific Co., Ltd. Accordingly, House Foods Group Asia Pacific Co., Ltd. will be a specified subsidiary of the Company with an amount of capital equivalent to no less than 10% of capital of the Company. Details are as follows.

As a result of the realignment, House Osotspa Foods Co., Ltd. will be a subsidiary of House Foods Group Asia Pacific Co., Ltd. and a second-tier subsidiary of the Company.

1. Purpose of change

By reinforcing the capital base of House Foods Group Asia Pacific Co., Ltd. and implementing organizational realignment through placement of House Osotspa Foods Co., Ltd. under House Foods Group Asia Pacific Co., Ltd., the Company intends to reinforce the operational base for Functional Drink Business in Thailand. House Foods Group Asia Pacific Co., Ltd. will play roles, as an intermediate holding company, of implementing global management control mainly of functional drink business, supporting the reinforcement of product development and quality assurance operations in Southeast Asia, expanding operating areas, and providing marketing support.

2. Method of change

The Company will make investment in kind (capital increase) of equity interest in House Osotspa Foods Co., Ltd. to House Foods Group Asia Pacific Co., Ltd.

3. Outline of subsidiary that will receive investment in kind (capital increase)

(1) Name	House Foods Group Asia Pacific Co., Ltd.	
(2) Address	8 T-One Building, 14th Floor, Unit 1 & 2, Soi Sukhumvit 40, Phra Khanong Subdistrict, Khlong Toei District, Bangkok 10110	
(3) Name and title of representative	Yoichi Hirohashi, President	
(4) Business description	Overall management of business operations in Southeast Asia; product development; technical and marketing support; and export and marketing of beverages	
(5) Share capital	70 million Thai baht	
(6) Established	April 1, 2022	
(7) Equity investors and their investment ratio	House Foods Group Inc. 99.0% House Foods Corporation 0.5% House Wellness Foods Corporation 0.5%	
(8) Relationships with the Company	Capital relationship	The Company falls under wholly-owning parent company (100% stake).
	Personal relationship	Two employees of the Company concurrently serve as a full-time director and a part-time director of the company concerned, respectively.
	Business relationship	There are no business relationships to be described.
	Applicability to related parties	The company concerned is a consolidated subsidiary of the Company and falls under a related party.

4. Amount of investment and ownership interest before and after investment in kind (capital increase)

Category	Amount of investment		Ownership interest	
(1) Before investment in kind	House Foods Group Inc.	69.3 million Thai baht	House Foods Group Inc.	99.0%
	House Foods Corporation	0.35 million Thai baht	House Foods Corporation	0.5%
	House Wellness Foods Corporation	0.35 million Thai baht	House Wellness Foods Corporation	0.5%
(2) After investment in kind	House Foods Group Inc.	1,131 million Thai baht	House Foods Group Inc.	99.94%
	House Foods Corporation	0.35 million Thai baht	House Foods Corporation	0.03%
	House Wellness Foods Corporation	0.35 million Thai baht	House Wellness Foods Corporation	0.03%

5. Schedule

(1) Date of resolution of the Board of Directors of the Company	April 22, 2022
(2) Date of execution of equity transfer agreement	Mid-May, 2022 (plan)
(3) Date of completion of capital increase	Late May, 2022 (plan)

6. Future outlook

As the subject investment in kind (capital increase) is part of group realignment, the impact on the Company's consolidated business performance will be minimal.

*1. House Foods Group Asia Pacific Co., Ltd. was established on April 1, 2022 and there is no description of its business performance and financial position.

(Reference) Outline of company subject to change from subsidiary to second-tier subsidiary

(1) Name	House Osotspa Foods Co., Ltd.	
(2) Address	8 T-One Building, 14th Floor, Unit 3, Soi Sukhumvit 40, Phra Khanong Subdistrict, Khlong Toei District, Bangkok 10110	
(3) Name and title of representative	Osamu Soma, President	
(4) Business description	(1) Production and marketing of processed food and beverages in Thailand (2) Export and import of processed food and beverages (3) Activities incidental to (1) and (2) above or other necessary activities.	
(5) Share capital	167 million Thai baht	
(6) Established	July 6, 2011	
(7) Equity investors and their investment ratio	House Foods Group Inc.	60%
	OSOTSPA PUBLIC COMPANY LIMITED	40%
(8) Relationships with the Company	Capital relationship	The Company falls under parent company owning 60% stake.
	Personal relationship	One employee and two employees of the Company concurrently serve as a full-time director and two part-time directors of the company concerned, respectively.
	Business relationship	There are no business relationships to be described.
	Applicability to related parties	The company concerned is a consolidated subsidiary of the Company and falls under a related party.