

November 8, 2022

## **Notice of Establishment of a Joint Venture Company in Indonesia**

House Foods Group Inc. (headquartered in Higashiosaka-city, Osaka; Hiroshi Urakami, Representative Director & President; hereinafter “House Foods Group”) hereby announces that it will establish PT Sasa Housefoods Indonesia, a joint venture company that sells B to C processed foods in Indonesia, with PT Sasa Inti (hereinafter “Sasa Inti”), an Indonesian company. In 2023, House Foods Group will start selling curry roux products for household use through the joint venture company. With affordable, small-volume products, House Foods Group aims to meet the needs of Indonesian consumers and develop the Japanese-style curry market in Indonesia.

### **Outline of the joint venture**

|                         |  |
|-------------------------|--|
| Name                    | PT Sasa Housefoods Indonesia                                 |
| Address                 | Jalan Letjend. S. Parman Kav. 32-34 Jakarta 11480, Indonesia |
| Representative Director | Budie Siswantono   |
| Established             | End of November 2022 (planned)                               |
| Share capital           | 10 billion Indonesian Rupiah                                 |
| Shareholding ratio      | PT Sasa Inti 51%, House Foods Group Inc. 49%                 |
| Business description    | Sales and marketing of Sasa House brand curry products       |

### **Background behind and purpose of the establishment**

House Foods Group has set Healthy Life Through Foods as its value proposition, and in its Seventh Medium-Term Business Plan starting in 2021, one of the priority areas for achieving growth is the challenge of the spice value chain, with the goal of achieving co-creation and synergy between the Group companies handling spices and curry. In developing overseas areas, House Foods Group has focused on Southeast Asia, with its remarkable economic development and rice-eating culture, as a market next to Japan and China, and have been studying the curry business there. Starting with the franchising of the Group’s restaurant business, CURRY HOUSE CoCo ICHIBANYA, and B to B food service products, the visibility of Japanese-style curry is gradually increasing.

Above all, Indonesia has the largest economy in Southeast Asia and excellent growth potential, a high percentage of people in Indonesia eat at home, and the need for simple and convenient processed foods is growing due to the increasing number of urban dual-earner households and nuclear families. In addition, the strong appetite for consumption has led to the popularization of new overseas menu items from restaurant businesses, and the percentage of people recognizing Japanese-style curry has reached 74% among the upper class (Social Economic Status A) and 46% among the middle class (Social Economic Status C) in the outlying areas of Jakarta (according to a Company survey<sup>1</sup>). As the number of middle-class households continues to increase, the processed food market is expected to expand. In the B to C area in the country, on the other hand, although there is progress in the modernization of distribution, the capturing of traditional trade (TT, small family-type operations selling daily necessities, etc.), which still accounts for the majority of the value of the market’s transactions, has a decisive influence on the speed of business expansion.

<sup>1</sup> Survey design: males and females aged 20-39, metropolitan area around Jakarta, conducted in 2020

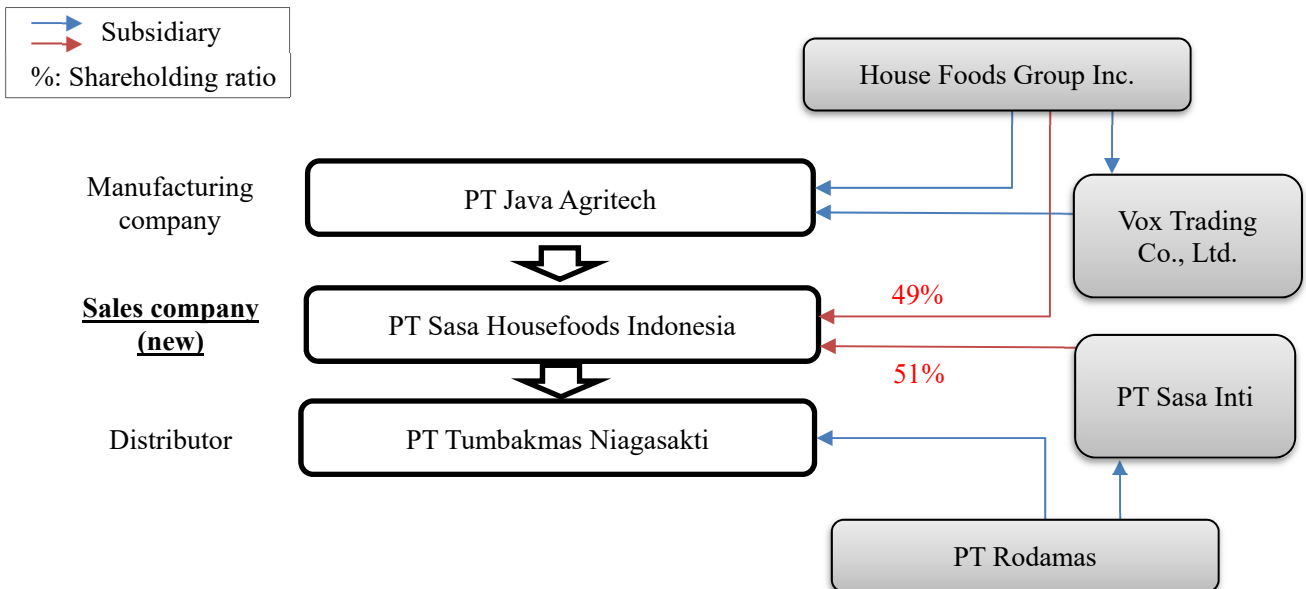
# News Release



Sasa Inti was established in Indonesia in 1972 and is engaged in the manufacturing of MSG (monosodium glutamate) and powdered seasonings in Indonesia. Sasa brand products are widely distributed through TT channels in Indonesia and have achieved significant consumer penetration as a familiar brand thanks to the meticulous distribution capabilities of PT Tumbakmas Niagasakti (hereinafter “TNS”), a distributor (wholesaler) under the same Rodamas corporate group.

With the establishment of the joint venture company, House Foods Group aims to accelerate its business development in Indonesia by promoting localized sales and marketing activities for curry roux products that utilize the House Foods Group’s manufacturing technology, and by leveraging TNS’ strengths to capture the TT channels. House Foods Group will create synergy by sharing and collaborating with Sasa Inti’s knowledge and expertise, and promote efforts to create new value for its customers, aiming for net sales of 7 billion yen in 2032, 10 years from now.

## Scheme diagram



## Profile of venture partner

|                         |  |
|-------------------------|--|
| Name                    | PT Sasa Inti   |
| Address                 | Jalan Letjend. S. Parman Kav. 32-34 Jakarta 11480, Indonesia |
| Representative Director | Dr. Rudolf Tjandranimpuno                                    |
| Established             | 1972   |
| Business description    | Manufacturing and sales of processed foods (MSG, seasonings) |
| Corporate logo          |  |