



April 13, 2023

Company Name: House Foods Group Inc.
Representative: Hiroshi Urakami, President
(Securities Code: 2810, TSE Prime Market)
Contact: Nobuhide Nakagawa, General Manager of
Public & Investor Relations Division
(Tel: +81-3-5211-6039)

Notice Regarding Capital and Business Alliance with Nousouken Corporation

House Foods Group Inc. (hereinafter “House Foods Group”) hereby announces that it has entered into a capital and business alliance agreement with Nousouken Corporation today. Although this release is not a disclosure required by Tokyo Stock Exchange rules, the Company has decided to voluntarily disclose it, as the information it contains may be useful for investors. Details are as follows.

1. Reason for the capital and business alliance

Nousouken Corporation is a leading company in farm-fresh distribution with the vision of “realizing a sustainable agricultural industry to enrich people’s lives.” Its goal is to build a system that will not allow agriculture to disappear in Japan and around the world. It operates a farmer’s direct sales shop business for direct sales of agricultural products at supermarkets in urban areas, and a farm-fresh wholesale business that purchases agricultural products from producers, brands them, and sells them wholesale to supermarkets.

In the Seventh Medium-term Business Plan, which started in April 2021, House Foods Group has designated the areas in which the Group delivers its value, Healthy Life Through Food, via four value chains (hereinafter “VC”), and the group is aiming to achieve sustainable growth by allocating management resources to growth areas in a focused manner.

In the Value-Added Vegetables VC, one of the four value chains, the Group is taking on the challenge of creating a new value chain in the agriculture domain and exploring the possibilities of business models through collaborative creation inside and outside the Group, including the commercialization of Smile Balls (onions without pungency) in Japan and overseas.

House Foods Group and Nousouken Corporation have decided to combine their resources through this alliance, so as to share a commitment to co-create unprecedented new value through agricultural products and consider mutual business development and the creation of new businesses.

2. Details of the capital and business alliance

The two companies will consider the collaborative creation of highly value-added agricultural products and new businesses, including Smile Balls, by utilizing both companies’ resources in the following and other matters, and will further strengthen the relationship between the two companies depending on the progress and results.

- Joint study, promotion and realization of vegetable branding strategy utilizing the resources of both companies
- Sales and marketing utilizing the points of contact with customers possessed by Nousouken Corporation
- Consideration and promotion of initiatives for collaboration between the two companies, including mutual sales support.

3. Details of the acquisition of shares

House Foods Group plans to acquire 440,600 shares of common stock of Nousouken Corporation (2.00% of the total number of shares outstanding as of February 28, 2023) held by Plenty Co., Ltd. for a total amount of 211 million yen (478 yen per share, simple average of closing prices over the last one month).

4. Overview of the capital and business alliance partner

(1) Name	Nousouken Corporation			
(2) Address	99-12 Kuroda, Wakayama-shi, Wakayama			
(3) Name and title of representative	President and Representative Director Hiroshi Horiuchi			
(4) Business description	Farmers' direct sales shop business, farm-fresh wholesale business			
(5) Share capital	50 million yen			
(6) Established	October 25, 2007			
(7) Major shareholders and their shareholding ratios	• Tomomasa Oikawa	16.85%		
	• Plenty Co., Ltd.	16.23%		
	• Japan Post Capital Co., Ltd.	11.91%		
	• Hiroshi Horiuchi and others	9.77%		
(8) Relationship between the listed company and the relevant company	Capital relationship	Not applicable.		
	Personal relationship	Not applicable.		
	Business relationship	There are no business relationships to note.		
	Applicability to related parties	Not applicable.		
(9) Operating results and financial position of the company for the last three years				
	Fiscal year	FY8/2020	FY8/2021	FY8/2022
	Net assets (million yen)	644	925	898
	Total assets (million yen)	1,751	2,513	2,441
	Net assets per share (yen)	30.68	42.53	40.81
	Net sales (million yen)	3,473	4,737	5,192
	Operating profit (loss) (million yen)	36	(193)	(123)
	Ordinary profit (loss) (million yen)	46	(207)	(110)
	Profit (loss) (million yen)	31	(283)	(127)
	Profit (loss) per share (yen)	1.49	(13.09)	(5.82)
	Dividend per share (yen)	—	—	—

5. Schedule

(1) Date of conclusion of the capital and business alliance agreement	April 13, 2023
(2) Date of investment	April 19, 2023 (plan)

6. Future outlook

The impact of this capital and business alliance on business results for the fiscal year ending March 31, 2024 will be minor. We will promptly disclose any matters that may significantly impact our business results.