



May 11, 2021

Company Name: House Foods Group Inc.  
 Representative: Hiroshi Urakami, President  
 (Securities Code: 2810, First Section of  
 the Tokyo Stock Exchange)  
 Contact: Nobuhide Nakagawa, General Manager of  
 Public & Investor Relations Division  
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## Notice of Changes in a Second-Tier Subsidiary Due to Dividend in Kind of a Subsidiary

House Foods Group Inc. (the “Company”) hereby announces that at a meeting of its Board of Directors held today, it resolved to acquire all shares in Gaban Spice Manufacturing (M) Sdn.Bhd. held by GABAN Co., Ltd., a wholly owned subsidiary of the Company, by dividend in kind. As a result, the Company will directly hold all shares in Gaban Spice Manufacturing (M) Sdn.Bhd. and this will result in changes in a second-tier subsidiary. Details are as follows.

### 1. Purpose of the dividend in kind

In its Seventh Medium-Term Business Plan (period: April 1, 2021 to March 31, 2024), the Group sets a concept of delivering “Healthy Life Through Foods” globally by focusing on four value chains (spice VC, functional ingredients VC, soybean VC and value-added vegetable VC) as key themes to address in its domains for investing resources and enhancing its unique strengths.

The Company will aim to promote its global strategy with ASEAN as the starting point by strengthening its procurement capabilities and creating globally competitive spices through targeted investment in the Group’s management resources by positioning Gaban Spice Manufacturing (M) Sdn.Bhd. as the core for building an ASEAN spice supply chain, which is part of its efforts for spice VC.

### 2. Appropriation of surplus of GABAN Co., Ltd.

GABAN Co., Ltd. will pay a dividend of surplus (dividend in kind) using other retained earnings as the source of funds.

#### (1) Kind of dividend property and total book value

The kind of dividend property to the Company is property other than monies (common shares stated below), and the latest total book value is 1,230,914,261 yen.

Company name	Number of shares	Shareholding ratio	Book value
GABAN Co., Ltd.	44,100,000 shares	100%	1,230,914,261 yen

#### (2) Matters concerning the allotment of dividend property to shareholders

All the dividend property will be allotted to the Company that owns all the shares outstanding of GABAN Co., Ltd. as of the effective date of dividend in kind.

#### (3) Effective date of the dividend of surplus

August 31, 2021 (planned)

### 3. Overview of the company that pays dividend in kind

(1) Name	GABAN Co., Ltd.	
(2) Address	9-12, Irifune 1-chome, Chuo-ku, Tokyo	
(3) Name and title of representative	Seiji Ikoma, President and Representative Director	
(4) Business description	Import, manufacture and sale of spices Sale of imported food	
(5) Share capital	100,000 thousand yen	
(6) Established	March 11, 1954	
(7) Net assets	8,930,741 thousand yen	
(8) Total assets	9,916,105 thousand yen	
(9) Large shareholders and their shareholding ratio	House Foods Group Inc. 100%	
(10) Relationship between the listed company and the company concerned	Capital relationship	The Company falls under a parent company that holds a 100% stake in the company concerned.
	Personal relationship	Three employees, two employees and one employee of the Company concurrently serve as a full-time director, a part-time director and a part-time corporate auditor of the company concerned, respectively.
	Business relationship	The Company receives business management fees from the company concerned.
	Applicability to related parties	The company concerned is a consolidated subsidiary of the Company and falls under a related party.

### 4. Overview of the sub-subsidiary subject to change

(1) Name	Gaban Spice Manufacturing (M) Sdn.Bhd.		
(2) Address	742, Lorong Perindustrian Bukit Minyak 11, Mk. 13, Taman Perindustrian Bukit Minyak, Bukit Mertajam 14000, Penang, Malaysia		
(3) Name and title of representative	Yusuke Horiuchi, President and Director		
(4) Business description	Manufacture and sale of spices, herbs and seasoning products		
(5) Share capital	44 million Malaysian ringgits		
(6) Established	March 4, 1988		
(7) Large shareholders and their shareholding ratio	GABAN Co., Ltd. 100%		
(8) Relationship between the listed company and the company concerned	Capital relationship	The Company falls under a parent company that indirectly holds a 100% stake in the company concerned.	
	Personal relationship	One employee and two employees of the Company concurrently serve as a full-time director and a part-time director of the company concerned, respectively.	
	Business relationship	Nothing in particular	
	Applicability to related parties	The company concerned is a consolidated subsidiary of the Company and falls under a related party.	
(9) Operating results and financial position of the company concerned for the last three years (Thousand MYR)			
Fiscal year	FY ended Mar. 2019	FY ended Mar. 2020	FY ended Mar. 2021
Net assets	72,189	78,007	82,947
Total assets	77,329	81,716	89,813
Net assets per share (MYR)	1.64	1.77	1.88
Net sales	79,987	79,366	79,966
Operating profit	5,485	5,930	4,648
Ordinary profit	6,448	7,346	4,885
Profit	4,824	5,818	4,940
Profit per share (MYR)	0.11	0.13	0.11
Dividend per share (MYR)	0	0	0

## 5. Schedule

(1) Resolution of the Board of Directors of GABAN Co., Ltd.      Wednesday, May 26, 2021

(2) Resolution of the Shareholders' Meeting of GABAN Co., Ltd.      Thursday, July 1, 2021

(3) Effective date (contribution in kind)      August 31, 2021 (planned)

\* The Company will carry out the necessary procedures for the transfer of shares in accordance with local laws and regulations.

## 6. Future outlook

This matter is a transaction within the Group and does not have an impact on the consolidated financial results of the Company.