

September 17, 2021

Air Water Inc.

Notice of Reorganization of Subsidiaries in Agriculture and Food-Related Business

- Strengthening the development of commercial frozen foods, ready-made dishes and products for home delivery in anticipation of the Post-COVID era -

Air Water Inc. announces the reorganization of its subsidiaries in the Agriculture & Food Products Business (agriculture and processed food products business), including the consolidation of development and sales functions, into the new company Air Water Agriculture & Foods Inc., in order to strengthen the development of commercial frozen foods, ready-made dishes and home delivery products in response to changes in food-related needs due to COVID-19 pandemic. The new business structure will be effective as of October 1, 2021.

1. Purpose of reorganization

The Group's Agriculture & Food Products Businesses is engaged in a diverse range of food-related business operations including vegetable retail, agricultural machinery and food hygiene guidance. Operations are focused primarily on the agriculture and processed food products business, including vegetable procurement and processing, ham and delicatessen products, frozen foods and sweets, and the beverage business, which engages in contracted production of vegetable and fruit-based beverages.

As food-related needs continue to change significantly due to the COVID-19 pandemic, lifestyle changes such as health consciousness, increased opportunities to dine at home, home delivery and online shopping (e-commerce) will continue to take hold even after the COVID-19 pandemic ends, and are expected to drive market expansion in the future. In order to overhaul our development and sales system—which in the past focused primarily on business customers such as hotels and restaurants—and respond flexibly to these changes, Air Water Inc. has been preparing for business reorganization, such as by establishing wholly owned subsidiaries.

By reorganizing subsidiaries in the agriculture and processed food products business to combine the development, sales and manufacturing technologies and know-how cultivated by our group companies thus far, we have developed an organizational structure that allows us to focus on the pursuit of further deliciousness, as well as the development of products for commercial frozen foods, ready-made dishes and home delivery product that cater to time-shortening and simplification needs. In addition to developing more highly-processed products in anticipation of market needs, we will also continue working to improve productivity—such as by integrating manufacturing division functions—to expand our business and improve profitability. At the same time, we will continue to advance structural transformation into a new food distribution and processing business that combines food processing technologies with the Group's low-temperature logistics functionality.

2. Outline of reorganization

We will consolidate development and sales functions to strengthen the development of commercial frozen foods, ready-made dishes, and home delivery products. At the same time, we will consolidate production functions for ham

and delicatessen products, and for processed and frozen foods, respectively.

- The sales department of Sagami Ham Co., Ltd. and Daisen Ham Co., Ltd. (the development and management departments of which have already been integrated into SAVEUR SS Inc.) and the processed food sales division of Tomiichi Co., Ltd., which conducts vegetable wholesale and processing business operations, will be integrated into the development and sales divisions of SAVEUR SS Inc.; and the trade name of SAVEUR SS Inc. will be changed to **Air Water Agriculture & Foods Inc.**
- The manufacturing division of SAVEUR SS Inc.'s ham and delicatessen product business will be integrated with Daisen Ham Factory Co., Ltd., which also manufactures ham and delicatessen products; and the trade name of Daisen Ham Factory Co., Ltd. will be changed to "**DAISEN SAVEUR SS INC.**"
- The new company **Air Water Agriculture Trust Co., Ltd.** will be established by an incorporation-type split of the vegetable division of Tomiichi Co., Ltd.
- Tomiichi Co., Ltd.'s processed food manufacturing division will absorb Air Water Tokachi Foods Co., Ltd., which operates vegetable processing and frozen food business operations; and Tomiichi Co., Ltd. will change its trade name to **Air Water Agricultural Foods Technology Co., Ltd.**

*The existing product brands of each company (SAVEUR, Syunsetstu, Chefree, Sagami Ham and Daisen Ham) will continue to be used.

(1) Outline of reorganization of companies (scheduled to take place on October 1, 2021, sales revenue figures are planned figures for FY2021)

Trade name	Air Water Agriculture & Foods Inc.	DAISEN SAVEUR SS INC.	Air Water Agriculture Trust Co., Ltd.	Air Water Agricultural Foods Technology Co., Ltd.
Head office	4-13-14 Higashi-Shinagawa, Shinagawa-ku, Tokyo	4-13-14 Higashi-Shinagawa, Shinagawa-ku, Tokyo	10-13-5 Nagayama Kita 1-jo, Asahikawa-shi, Hokkaido	194-5 Aza Sarabetsu, Sarabetsu-mura, Kasai-gun, Hokkaido
Representative	President and Representative Director Takeo Kashima (Also serves as Executive Managing Director and head of Air Water Inc. Agriculture and Food Company)	President Shiro Hayashibara (Currently Director and General Manager of Production Division, Daisen Ham Factory Co., Ltd.)	President Kaoru Yamada (Currently President and Representative Director of Tomiichi Co., Ltd.)	President Katsumi Azuma (Currently President and Representative Director of Air Water Tokachi Foods Co., Ltd.)
Business description	Planning, import, purchasing, development and sale of ham and delicatessen products, prepared foods and frozen vegetables, etc.	Production of ham and delicatessen products and prepared foods, etc.	Purchase and sale of vegetables, etc.	Production of processed and frozen foods, etc.
Capital	¥250 million	¥29 million	¥50 million	¥50 million

Sales revenue	Approx. ¥45.0 billion (consolidated)	Approx. ¥15.0 billion	Approx. ¥6.0 billion	Approx. ¥5.0 billion
Number of employees	Approx. 300	Approx. 650	Approx. 100	Approx. 320
Shareholders	Air Water Inc. (100%)	Air Water Agriculture & Foods Inc. (100%)	Hokkaido Air Water Agri Corporation (100%)	Air Water Inc. (63%) Air Water Agriculture & Foods Inc. (37%)

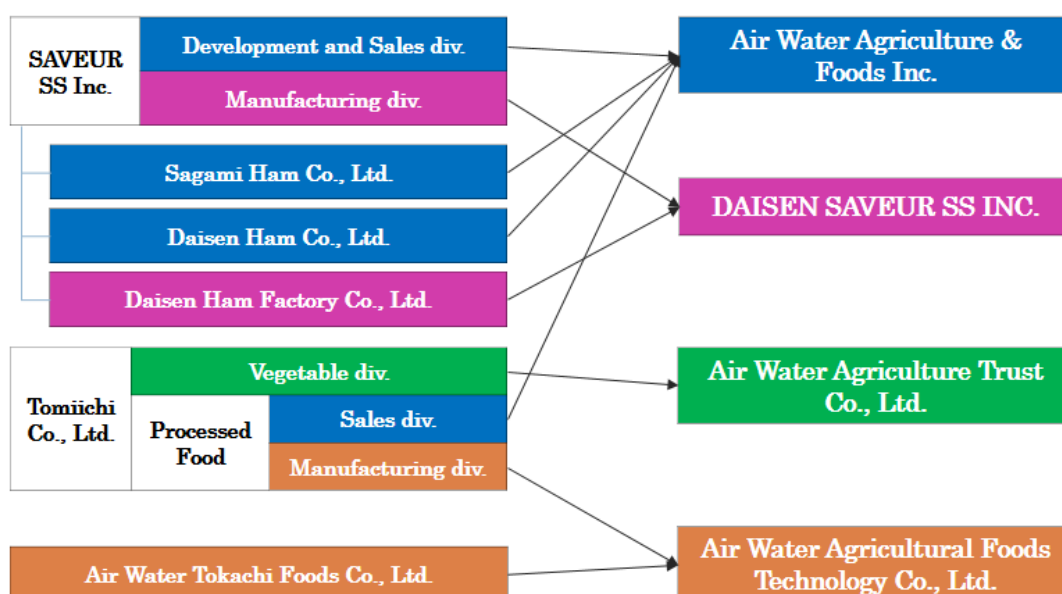
(2) New products and areas of particular specialization

- (1) Ready-made processed foods (prepared foods made using livestock and agricultural processing technologies, etc.)
- (2) Domestically produced frozen vegetable food products (mixed vegetable products for cooking use, etc.)
- (3) Health foods and delivery foods (low-salt, low-calorie and other health-oriented food kits, frozen "bento" boxed lunches, etc.)

(3) Organizational structure after the reorganization

<Current situation>

<After reorganization on October 1, 2021>



[Contact for inquiries]

Corporate Communications, Air Water, Inc. E-mail : info-h@awi.co.jp