

February 15<sup>th</sup>, 2021

Sojitz Corporation

Sojitz Acquires Stake in Royal Holdings Co., Ltd., Operator of Restaurant Chains  
such as Royal Host and Tendon Tenya, with Capital and Business Tie-up  
— Creating Synergy in the Food, Retail, and Aerospace Sectors —

Sojitz Corporation (“Sojitz”) has concluded an agreement with Royal Holdings Co., Ltd. (“Royal Holdings”) to form a capital and business tie-up as of February 15<sup>th</sup>, 2021. On this date, Sojitz will acquire 13.30%(\*) of Royal Holdings’ common stock and be issued 1<sup>st</sup> stock acquisition rights through third-party allotment.

In addition, Sojitz has concluded a share subscription agreement and shareholders’ agreement on the same date with Royal Holdings and Royal In-flight Catering Co., Ltd. (“RIC”), a fully-owned subsidiary of Royal Holdings engaged in the in-flight catering business. Through third-party allotment, Sojitz will acquire 60% of RIC’s common stock and the company will become a consolidated subsidiary of Sojitz.

Royal Holdings Group’s mission is to improve the lifestyles of citizens through food and hospitality services. Royal Holdings possesses a strong business foundation, and the company operates five business segments.

1. Restaurant Business: Main restaurant businesses include Royal Host and Tendon Tenya
2. Contract Food Service: Operates a wide range of eating and drinking establishments in airport terminals, highway service areas, and other locations through contracts with corporations
3. In-flight Catering Business: Contracted to prepare and load in-flight meals for domestic and foreign airlines at Kansai International Airport, Fukuoka Airport, Naha Airport, and other airports
4. Hotel Business: Operates the Richmond Hotel and other affiliated hotels
5. Food Manufacturing: Handles food manufacturing, procurement, logistics, and other infrastructural functions primarily for Royal Holdings Group companies; conducts food manufacturing for companies outside of the Royal Holdings Group

Sojitz has been engaged in the aviation business for over 60 years, serving as the sales agent for U.S. Boeing aircrafts in Japan from 1956 onward. In recent years, Sojitz has engaged in airport industry operations, including the operation of airports both in Japan and overseas. In addition, Sojitz possesses diverse networks and know-how in business fields with high relevance to Royal Holdings, such as Sojitz's shopping center operations, and food distribution business primarily in Vietnam and other ASEAN countries.

Through this capital and business tie-up, Sojitz will integrate its business network and expertise with Royal Holdings' existing customer base and business model. In doing so, both companies aim to realize sustainable growth and better the lives of consumers.

(\*) The shareholding ratios are calculated based on the number of shares as of December 31<sup>st</sup>, 2020 (excluding the number of shares of treasury stock) and newly issued shares by the third-party allotment.

#### ■Description of Capital and Business Tie-up

##### (1) Capital Tie-up

- 1) Sojitz will acquire 5,820,700 shares of common stock for JPY 10 billion through third-party allotment, which will bring the company's ownership of common stock to 13.30%.
- 2) Through third-party allotment, Sojitz will obtain 41,124 new stock acquisition rights (4,112,400 dilutive shares) of Royal Holdings' stock. The initial exercise price will be JPY 1,908, the closing price on the trading day prior to the resolution date of the stock issuance.
- 3) Through third-party allotment, Sojitz and Royal Holdings will acquire 225,600 shares of RIC's common stock and Sojitz will acquire 60% of the common stock of RIC. As a result, Sojitz and Royal Holdings' share-holding ratio will be 60% and 40% respectively, making RIC a Sojitz consolidated subsidiary and a Royal Holdings equity method affiliate.

##### (2) Business Tie-up

Royal Holdings' future management strategy includes: 1) responding to changing business circumstances, 2) raising management efficiency, and 3) developing areas of growth. Both Sojitz and Royal Holdings will jointly pursue

the following initiatives moving forward to strengthen their respective business foundations while aiming to build new models for consumer business.

[Responding to changing business circumstances]

- Create new markets through sharing of customer networks
- Utilize digital data (image data, purchasing data, etc.) to attract customers and strengthen customer satisfaction levels

[Raising management efficiency]

- Support procurement of foodstuffs and subsidiary materials
- Support logistics reforms

[Developing areas of growth]

- Develop new businesses that leverage the know-how and content owned by Sojitz and Royal Holdings Group
- Accelerate the expansion of Royal Holdings Group's domestic businesses to overseas markets and promote further expansion of overseas businesses
- Pursue joint M&A projects

[Related Information]

[Company Overview – Royal Holdings Co., Ltd.]

Established : April 4<sup>th</sup>, 1950

Head Office : 3-28-5 Naka, Hakata-ku, Fukuoka-shi, Fukuoka

Representative Director: Tadao Kikuchi

Representative Director, Chairman

Yasuhiro Kurosu

Representative Director, President & CEO

Main Business: Restaurant business; Contract food service; In-flight catering business; Hotel business; Food manufacturing

[Company Overview – Royal In-flight Catering Co., Ltd.]

Established: August 30<sup>th</sup>, 1988

Head Office: 1 Senshu-Kuko-Minami, Sennan-shi, Osaka

Representative Director: Mitsuhiro Umezu

Representative Director, President

Main Business: Preparation, sale, and loading of in-flight meals; food sales; bonded warehouse business

[For questions regarding this press release, contact:]

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