

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

To whom it may concern

November 7, 2019

Company name HOSHIZAKI CORPORATION  
Representative Representative Director, President & COO Yasuhiro Kobayashi  
(Securities code: 6465; First Section of the Tokyo Stock Exchange and Nagoya Stock Exchange)  
Inquiries Director Tadashi Mizutani  
(Tel: 0562-96-1320)

### Notice Concerning Efforts to Improve Corporate Value

Hoshizaki Corporation has undertaken comprehensive efforts to boost compliance and internal governance, as per the notice released on May 29, 2019, “Enhancement of Compliance and Internal Governance.”

The company has also engaged in considerable deliberation regarding specific measures to boost corporate value over the medium- to long-term. Hereby, we advise that the Board of Directors meeting convened on November 7, 2019 has made the following resolutions.

Further details:

#### 1. Changes to Dividend Policy

Hoshizaki’s basic shareholder return policy is to invest capital into growth, such as through M&As, overseas business expansion and production improvement within the Japanese business to boost corporate value over the medium to long term, in an effort to increase the earnings per share (EPS) and thus to improve value for shareholders. Hoshizaki Corporation also positions the return of profits to all shareholders as a key management issue and will make the following changes to its basic policy in order to clarify its proactive stance towards profit return backed by business performance.

##### (1) Basic Policy on Return to Shareholders (additions are underlined)

Hoshizaki Corporation considers policy for the distribution of surplus as an important management issue. Hoshizaki has made a comprehensive judgment, based on the financial circumstances of the company and the Group, the state of earnings and its approach towards dividends, to introduce a basic policy to implement stable profit returns for all shareholders through efforts aimed at stable corporate growth into the future and replenishment of the company’s reserves necessary for responding to changes in the management environment. In the future, Hoshizaki will aim for a consolidated dividend payout ratio of 35%, and will strive to maintain continuous and

stable dividends between roughly 30% and 40%. We will also consider share repurchase strategically in consideration of factors such as balance with growth investment and the value of Hoshizaki shares on the stock exchange.

(2) Timing of Changes

Changes will apply from the fiscal year ending December 31, 2019 (this fiscal period).

2. Increase to the number of independent external directors to assist in strengthening the function of the Board of Directors

(1) Details

Currently, Hoshizaki Corporation appoints two independent external directors, but it will increase the number to one-third or more of the number of its directors in order to strengthen the supervisory function of the Board of Directors and aim at further enhancement of the corporate governance structure.

Bearing in mind that the current independent external supervisors are, respectively, a lawyer and a Certified Public Accountant, we intend to appoint persons with corporate management experience, such as the management of listed companies, to the additional independent external supervisors' positions.

(2) Timing of Implementation

We will proceed with the selection of candidates for deliberation at the Ordinary General Meeting of Shareholders scheduled on March 2020.

[Reference]

In addition to the above, Hoshizaki Corporation has implemented the following measures for enhancement of corporate value.

1. Introduction of Executive Officer System

On July 1, 2019, Hoshizaki Corporation introduced an Executive Officer System in an effort to gradually separate management, supervision and execution, in line with the "Notice of Introduction of and Executive Officer System" published on June 14, 2019, to advance towards the ideal of a Board of Directors. Hoshizaki will continue to actively strive to further strengthen and enhance the supervisory function of the Board of Directors, as per 2. above ("Increase to the number of independent external directors to assist in strengthening the function of the Board of Directors").

2. Disclosure in English

Due to the increase in the ratio of non-Japanese shareholders (32% as of the end of June 2019), as a measure to further increase information disclosure, Hoshizaki Corporation has started releasing English versions of its Summary of Business Performance and the

Summary of Consolidated Financial Results since the second quarter of fiscal year ending December 31, 2019, and has established an English language website. The company will continue to expand the coverage of its English language website from the third quarter onward.

End of document