



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)
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Investment in Öztiryakiler Madeni Eşya Sanayi ve Ticaret Anonim Şirketi
and acquisition of its shares (on equity method affiliate basis)

HOSHIZAKI CORPORATION announces that the Board of Directors, held on November 7, 2019, has made a decision to acquire the shares of a Turkish manufacturer of commercial kitchen equipment, Öztiryakiler Madeni Eşya Sanayi ve Ticaret Anonim Şirketi (hereafter referred to as Özti) based on the equity method. The details are as follows:

Further details:

1. Purpose of the share acquisition

Hoshizaki is proactive in expanding its business market outside Japan, which is the key to future growth, to increase net sales and market share focusing on emerging economies with potential growth, as well as on the developed countries which the company already pursues. In addition, it is important to seek sales growth of commercial kitchen equipment such as commercial refrigerators, in addition to the sales of commercial ice machines, as main products for business growth overseas.

Özti is an entity with full of potential for growth and profitability as it offers highly competitive low-cost products and their production systems, leveraging their extensive sales channels across major cities in the Middle East, Europe and African regions.

We will invest in Özti while the company's existing management continues to lead the business with their in-depth knowledge about the markets in the Middle East, Africa and Europe. In this way, we expect to expand the market share for our group products in Europe and create a synergy with Özti through their manufacturing of refrigerators, with our support, thereby bolstering product development, product range and price competitiveness as well as productivity and enhanced quality.

2. Share acquisition overview

Hoshizaki will acquire Özti's shares through capital injection and acquisition of existing shares to hold a total of 28.6% of the company's shares. Furthermore, Hoshizaki will acquire shares from existing shareholders in stages for the subsequent three-year period, aiming to hold 51% shares at the end of the period and to make Özti as Hoshizaki's subsidiary.

3. Overview of the company for stock acquisition

① Company name	Öztiryakiler Madeni Eşya Sanayi ve Ticaret Anonim Şirketi		
② Location	Istanbul, the Republic of Turkey		
③ Representative's name and title	Yusuf Kenan Öztiryaki (Chairman)		
④ Description of Business	Manufacturing and sales of commercial kitchen equipment in the Middle East, Europe and African		
⑤ Paid-in Capital	80 M TRY (approx. 1,600 M JPY)		
⑥ Established	1958		
⑦ Owners and controlling shares	Yusuf Kenan Öztiryaki 32.6% Tahsin Öztiryaki 32.6% Atakan Öztiryaki 12.2% 7 others 22.6%		
⑧ Relationship between Hoshizaki and Özti	Capital relationship	There is no capital relationship between Hoshizaki and Özti. No capital relationships exist between Hoshizaki's stakeholders or affiliates and Özti's stakeholders or affiliates.	
	Employment relationship	There is no employment relationship between Hoshizaki and Özti. No employment relationships exist between Hoshizaki's stakeholders or affiliates and Özti's stakeholders or affiliates.	
	Commercial relationship	There is no Commercial relationship between Hoshizaki and Özti. No material commercial relationships exist between Hoshizaki's stakeholders or affiliates and Özti's stakeholders or affiliates.	
⑨ Özti financials in the recent three-year period (1 TRY = 20 JPY)			
Financial year ending	Dec 2016	Dec 2017	Dec 2018
Sales	318 M TRY	405 M TRY	487 M TRY

Sales (JPY equivalent)	6,370 M JPY	8,116 M JPY	9,753 M JPY
Operating profit	33 M TRY	54 M TRY	104 M TRY
Operating profit (JPY equivalent)	669 M JPY	1,083 M JPY	2,097 M JPY

4. Overview of the participating shareholders

① Name	Yusuf Kenan Öztiryaki Tahsin Öztiryaki Atakan Öztiryaki 7 others
② Address	Istanbul, the Republic of Turkey
③ Relationship between Hoshizaki and these individuals	There are no capital, employment or commercial relationships between Hoshizaki and the individuals. They do not have any major capital, employment or commercial relationship with Hoshizaki's stakeholders or affiliates.

The transaction conditions of the acquisition are confidential pursuant to the acquisition agreement.

5. Schedule

- (1) Date of Agreements November 7, 2019
- (2) Capital injection and acquisition of shares Mid-December 2019
- (3) Planned additional share acquisition February 2021 and February 2023

6. Effect on financial performance

The impact on the consolidated results and consolidated fiscal conditions for the current fiscal year is immaterial.

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