

Sale of ORF/IIT Group by NSSK II

Nippon Sangyo Suishin Kiko (“NSSK”, <https://www.nssk-japan.com/>) is pleased to announce that investment partnerships managed or provided with services by NSSK affiliates (collectively, “NSSK II”) completed the sale of all shares in Oriental Foods Co. (or “ORF”) (Headquarters: Sapporo, Hokkaido, <http://www.oriental-foods.co.jp>), and I.I.T. Corporation ((Headquarters: Ishikari, Hokkaido, <http://www.iit-inc.co.jp>), collectively with Oriental Foods Co. and its subsidiaries/affiliates “ORF/IIT Group” or “the Group”) as well as ORF/IIT Group’s holding companies, NSSK-M Co., Ltd. and NSSK-MM Co., Ltd. to Hokkaido LogiService Co., Ltd. (Headquarters: Ebetsu, Hokkaido, “Hokkaido LogiService”, <https://www.hokkaidologiservice.co.jp/>).

Oriental Foods Co. was founded in 1978, specializing in wholesaling fruits and vegetables to supermarkets in Hokkaido. I.I.T. Corporation was established in 1988, originating from the logistics division of Oriental Foods Co. Together with other affiliated companies, I.I.T. Corporation operates a logistics business catering to supermarkets and discount stores in Hokkaido.

The logistics business operated by the ORF/IIT Group is a key player in serving supermarkets and discount stores in Hokkaido. With seven logistics centers covering three temperature zones and a fleet of over 300 trucks, the Group has a robust infrastructure to support its operations. The Group’s distribution centers are mainly located in Ishikari City, a crucial location for food distribution in the Sapporo metropolitan area. The fruit and vegetable wholesale business of the ORF/IIT Group holds a strong market share in Hokkaido, particularly in niche product categories like bean sprouts and citrus fruits. Both segments of the business are thriving in a stable market environment with a loyal customer base, indicating solid and sustainable growth for the Group.

Since its investment in the ORF/IIT Group in July 2021, NSSK has been actively utilizing its management support package, the NSSK Value-Up Program (NVP), to enhance various aspects of the Group’s operations. This support covers a broad spectrum, including implementing new business management methods, enforcing compliance and governance standards, advancing ESG initiatives, and facilitating digital transformation. Specifically, within the logistics business segment, efforts have been made to address challenges such as labor management in anticipation of the “2024 problem”. Additionally, initiatives aimed at reducing vehicle accidents and implementing a logistics profit and loss management system have been undertaken and generated results. In the fruit and vegetable wholesale business, the focus has been on strengthening relationships with customers and suppliers, expanding market reach, enhancing talent acquisition efforts, and optimizing operational structures to solidify the Group’s presence in Hokkaido.

Hokkaido LogiService Co., Ltd. is headquartered in Ebetsu, Hokkaido, and operates as a subsidiary of CO-OP Sapporo (Headquarters: Sapporo City, Hokkaido, Chairman: Hideaki Omi, <https://www.sapporo.coop/corporate/>.) CO-OP Sapporo is known for its supermarkets and delivery services throughout Hokkaido. Hokkaido LogiService specializes in handling logistics operations exclusively for CO-OP Sapporo. This includes managing logistics centers that are mainly located in Ebetsu to support CO-OP Sapporo's store operations and delivery services. Additionally, it provides warehouse management and distribution services to external corporate clients.

CO-OP Sapporo is a consumer cooperative in Hokkaido with over 2 million members. CO-OP Sapporo is committed to its motto "Connect", its philosophy of "Taking pride and joy in living in Hokkaido", and its mission of prioritizing "Safety" and "Innovation." CO-OP Sapporo operates 109 stores and 51 delivery service centers in Hokkaido. Together with its members, it also engages in various business activities including the development of safe and reliable products, support for child-rearing, and social contribution initiatives related to food and the environment.

Going forward, NSSK believes that the ORF/IIT Group can achieve further growth and enhance its corporate value by leveraging collaboration with CO-OP Sapporo's logistics division, as well as by utilizing CO-OP Sapporo's solid financial foundation and strong brand recognition in Hokkaido.

NSSK's mission is to build a leading alternative asset investment business in Japan by investing in attractive Japanese companies in partnership with management and contributing to the Environment, Society and Governance of Japan and beyond. NSSK's investment strategy is to seek to generate superior outcomes by applying global investment discipline, operating expertise and human capital to Japanese companies originating from our proprietary and differentiated sourcing network.

For more information, please contact:
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Investor Name:	Nippon Sangyo Suishin Kiko (https://www.nssk-japan.com/)
Founded:	December 2014
Headquarters:	Atago Green Hills MORI Tower 17F 2-5-1, Atago, Minato-ku, Tokyo, Japan
Representative:	Jun Tsusaka
Overview:	NSSK is an independent Japanese alternative investment management company with a focus on Japan. NSSK pursues superior outcomes by applying global investment discipline, operating expertise and human capital to attractive Japanese companies and contribute to the Environment, Society and Governance of Japan and beyond.

Company name:	Oriental Foods Co. (www.oriental-foods.co.jp)
Founded:	June 1978
Headquarters:	4 -1-1 Hassamu 16 Jo, Nishi Ward, Sapporo, Hokkaido
Overview:	Operates a wholesale business of fruits and vegetables catering to supermarkets within Hokkaido. Holds a strong market share in Hokkaido across various categories such as bean sprouts and citrus fruits as a leading niche player

Company name:	I.I.T. Corporation (www.iit-inc.co.jp)
Founded:	December 1988
Headquarters:	3 -700-2 Shinkonishi, Ishikari, Hokkaido

Overview:	Logistics service provider for food supermarkets and discount stores in Hokkaido. With operations centered around Ishikari City, a key hub for food logistics in the Sapporo metropolitan area, the company operates seven logistics centers covering three temperature zones and a fleet of over 300 trucks, making them a key player in the region
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