

June 24, 2013

To whom it may concern

Showa Holdings Co., Ltd.
Mamoru Shigeta,
Representative Executive Officer and President
(Code 5103 Tokyo Stock Exchange)
Contact: Tomohiko Shoji, Executive Officer
(Tel: 04 – 7131 – 0181)

Progression of Asuka Foods Group after Becoming Our Equity Method Affiliated Company

According to “Announcement for Stock Acquisition of Asuka Foods Co., Ltd. and Asuka Foods Industry Co., Ltd. (Affiliated Company Accounted for by the Equity Method)” made on 2nd June 2011, Asuka Foods Group is included in our consolidated accounts as an equity method affiliated company.

Asuka Foods Group has been our equity method affiliated company for 2 years, therefore we would like to report on Asuka Foods Group as follows.

Description

1. Management Overview of Asuka Foods Group

After becoming our equity method affiliated company, Asuka Foods Group has worked hard towards expanding business and gaining trust by formulating the 3-year management plan, “Asuka Acceleration Plan 2012”, and promoting:

- 1) Pioneering new businesses
- 2) Improving quality level
- 3) Worldwide optimum procurement

as the primary mission to “fill every day with a little bit of happiness with small bites”.

Please refer to the following URL for the mid-term management plan of Asuka Foods Group (Asuka Acceleration Plan 2012). <http://www.asukafoods.co.jp/company/news/2012plan.pdf>

2. Difference of resulted FCF and Free Cash Flow (mentioned as FCF below) at the time of acquisition through DCF.

(Units: million yen)

	July 2011 – March 2012 (9 months)	April 2012 – March 2013 (1 year)
Resulted FCF (1)	127	176

Estimated FCF during acquisition(2)	112	150
FCF Difference (1)-(2)	+15	+26

As stated above, the resulted FCF of Asuka Foods Group has surpassed our estimated FCF at the time of acquisition and has contributed to the improvement of our group's financial situation.

3. Revitalization of Human Resource Development

By joining our group, exchange of human resources between the two companies has been accelerated. As a result, our group has produced many experienced personnel resulting in the major advancement in terms on human resource development within our group.

4. Conclusion

As stated above, the acquisition of Asuka Foods Group has greatly contributed to our company and each company of our group.

Although it is not easy to find cases that ensure profit like this, but we will actively consider M&A that will lead to the increase of our group's corporate values.

We will continue to implement our mid-term management plan and expand our business. Therefore we ask for the understanding and support of everyone concerned.

Thank you.