

7 January, 2014

To whom it may concern

Showa Holdings Co., Ltd.  
Mamoru Shigeta,  
Representative Executive Officer and Managing Director  
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**Notice Regarding the Acquisition of a Food Manufacturing Company**  
**in The People's Republic of China by our Affiliate**

We would like to announce that our affiliate, Asuka Foods Co., Ltd., has wholly acquired a food manufacturing company in the People's Republic of China in December 2013.

Description

1. Summary of Acquired Company

Company Name: LvXin Foods Co., Ltd.

Registered Address: Tsingdao Jimo City, Longquan Town, ZhenBuXi Road West

Registered Capital: 14.50 million USD (Approx. 150 million JPY)

Establishment: 16 May 2005

Company Form: Limited Liability Company

Business: Manufacture of Quick Frozen Foods

Quick Frozen Wheat & Rice Food Products (Heat Prepared)

About 35% of Products are exported to Europe Countries.

2. Purpose of Acquisition

As disclosed on 26 November 2012, Establishment of Representative Office in The People's Republic of China for the Support of the Group's Overseas Expansion.

(Please refer to the following URL for the details of the establishment of Tsingtao Representative Office (Japanese): <http://www.showa-holdings.co.jp/news/doc/news20121126.pdf>)

Overseas Expansion is the utmost important issue in our group's mid term management plan and therefore the representative office has been collecting information and creating networks ever since its establishment.

The current matter is brought forth as a part of the operations implemented by the representative office.

Our group's affiliated company, Asuka Foods Co., Ltd., operates the manufacture and sale of Japanese Sweets. Together with our company, Asuka Foods announced the "Acceleration Plan 2012" in

June 2012 and set forth a mission to “Deliver the Delight of Eating a Little Something Delicious to the World Every Day” and plans to make an entry into Asian markets. The following results are expected from the acquisition.

- ① Entry into the rapidly expanding and developing consumer markets of China by setting up a food manufacturing base in the People’s Republic of China.
- ② From the existing results of worldwide exportation achieved by LvXin Foods, Japanese Sweets, a symbolic representation of Japanese cuisine and products of Asuka Foods can be expanded on a world wide scale.
- ③ Measures will be taken for direct quality control and traceability of food products imported from China to Japan to ensure the safety of products sold in Japan.
- ④ Standardization of ingredients and materials to reduce costs.

The above greatly reinforces the “To The World” section of Asuka Foods’ mission and we are anticipating the contribution of increased consolidated net profits.

### 3. Future Prospects

We will proactively consider making efforts to strengthen not only our food business, but also every company in our group.

Tsingtao City of Shandong Province, where LvXin is located, is a major food export hub as well as a city accommodating the Rubber Valley, a National Project for major rubber manufacture and trades. Other than that, a High Tech Park Project to attract entertainment industries is underway. The initiation of business in Tsingtao which is closely related to our business is a great opportunity for us and our group companies.

We will continue to support the business expansion of our group companies and realize the mid term management plan to improve our corporate values. Therefore, we humbly ask for your continuous support.

Please refer to the following URL for our mid Term Management Plan (Acceleration Plan 2012)

[http://www.showa-holdings.co.jp/news/doc/sh\\_accelerate2012\\_en.pdf](http://www.showa-holdings.co.jp/news/doc/sh_accelerate2012_en.pdf)

Thank you.