

Kewpie Corporation

Sengawa Kewport, 2-5-7, Sengawa-cho, Chofu-shi, Tokyo 182-0002, Japan. Tel:03-5384-7780



(Translation)

December 24, 2013

Dear Sirs:

Name of the Company: Kewpie Corporation
Representative: Minesaburo Miyake,
President and Representative
Director
(Code No. 2809; the first section of the Tokyo Stock Exchange)

Person to contact: Nobuo Inoue,
Director and General Manager of
Operation Promote Department

Name of the Company: Aohata Corporation
Representative: Eiichi Nozawa
President and Representative
Director
(Code No. 2830; the second section of the Tokyo Stock Exchange)

Person to contact: Naohide Yahagi,
Director and Deputy General
Manager of Management
Department

**Notice of Conclusion of Agreement of Company Split
(Simple Absorption-Type Company Split) to Transfer
Part of Product Sale Business of Kewpie Corporation to Aohata Corporation**

Notice is hereby given that Kewpie Corporation ("Kewpie") and its equity-method affiliate Aohata Corporation ("Aohata"), at the meetings of their respective Boards of Directors held today, resolved to let Aohata succeed the business of selling bread-related products such as jams, whipped cream and spread (the "Split Business"), from Kewpie by a company split (the "Company Split") and set December 1, 2014 as the effective date, and entered into an agreement of absorption-type company split, as described below. The

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Company Split shall become effective subject to the completion of a tender offer (the "Tender Offer", which together with the Company Split, will hereinafter be referred to as the "Organization Restructuring") to be made by Kewpie with the aim of acquiring the shares of common stock of Aohata (the "Aohata Shares") for the period therefor from December 25, 2013 to January 29, 2014.

1. Purpose of the Company Split:

Since it started business in 1919, Kewpie has developed business with the mission of the continuance of contributing to people's healthy diet by all placing first priority on security and safety as a corporate group responsible for the area of "foods" which are the basic necessities of life. The Kewpie Group, under the management philosophy "we aspire to contribute to people's diet by bringing deliciousness, kindness and uniqueness," has engaged in condiments products business, which deals with mayonnaise and dressing, as well as egg products business, delicatessen products business, processed foods business, fine chemical products business and distribution system business. In the processed foods business, which includes the Split Business, the Group has developed business, which covers processed foods including jams, which the Group has captured the largest share in Japan, and pasta sauces, and healthcare products including baby foods, medical diets and nursing care foods to deliver a "delicious taste" and leave a lasting "impression" on customers in all generations.

Kewpie has instituted a medium-term business plan for three years (publicized in January 2013), commencing in the fiscal year ended November 30, 2013. The Group, with the aim of cultivating a culture of challenging by the Group as one and ensuring continued growth in Japan together with significant growth overseas, has worked together to carry out its four management policies (strengthening our management base, innovation in Japan, developing overseas business in earnest and laying a foundation for the future) rounding upon "making the most of our unique capabilities and an ability to create new products, markets, and demand", all in an effort to further enhance its corporate value. Specifically, in the processed foods business, the Group has exerted its efforts for early profit improvement by restructuring of the revenue-generating base by optimizing the production systems and narrowing down categories, and strengthening of product development and the development of marketing channels by selection and concentration of each category.

Aohata was founded in 1932, with the objectives of tangerine canning process and the manufacturing of orange marmalades and other jams. Since its foundation, Aohata has focused its efforts to seek the "highest quality (in taste and health) and affordable prices" with its mission of "food-making in safety and security by applying canning technology and taking advantage of the freshness and flavors of materials".

Aohata has instituted a medium-term business plan for three years, commencing in the fiscal year ended October 31, 2013 with the themes of "human resource cultivation",

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"continued growth of domestic business", "steady development of overseas business" and "quality-focused management" and developed business to enhance profitability and management efficiencies.

Both companies have built a system of assigning a manufacturing function to Aohata and a selling function to Kewpie under which Kewpie consigns the manufacturing of products with the trademarks of "Aohata" and others to Aohata and directly purchases the products from Aohata and sells them to its exclusive distributors and other third parties, to increase sales and profits by enhancing their respective functions. Kewpie has continued to hold the current number of shares (direct holdings) since 1996, which was before 1998 when the Aohata Shares were listed on the Hiroshima Stock Exchange (currently listed on the second section of the Tokyo Stock Exchange), after sale of part of the Aohata Shares allocated to Kewpie by the issuance of shares by Aohata by a method of third-party allocation. As a result, Kewpie holds 16.16% (the current ratio of its holdings ("holding ratio"), which includes its indirect holdings, to the number of 6,886,976 shares, which is obtained by deducting from the total number of 6,900,000 issued shares of Aohata as of October 31, 2013 stated in the Summary of Consolidated Financial Statements for the Fiscal Year Ended October 31, 2013 (Japan GAAP) publicized by Aohata on December 10, 2013, 13,024 shares of treasury stock of Aohata as of October 31, 2013 stated in the said Summary of Consolidated Financial Statements for the Fiscal Year Ended October 31, 2013 (Japan GAAP)) of the Aohata Shares, which makes Aohata its equity-method affiliate, and promoted cooperation in the above-mentioned business while maintaining the independence of Aohata.

However, the industry to which the processed foods business of Kewpie and Aohata belong has continued to remain in a difficult market condition as consumers tend to be thrifty and seek lower-priced products in food consumption and there are diversifying consumer needs and changes in preferences. In addition, due to the depreciation of the yen, higher prices of raw materials and energy and other factors, cost rises remain in an unpredictable situation.

Under these circumstances, since August 2013, Kewpie and Aohata have been advancing discussions to promote cooperation, generate their business synergies and further enhance their corporate value.

Consequently, both companies have decided that with regard to the bread-related category where Aohata is principally responsible for manufacturing and Kewpie is principally responsible for selling among the three bread-related, pasta-related and rice-related domains of the processed foods business, the Split Business to be transferred to Aohata through the Company Split and enable Aohata to operate both manufacturing and selling businesses will promote Aohata's prompt decision making, unique selling system and rapid product development in consideration of diversifying customer needs and changing preferences. This transaction will also enable the processed foods business of Kewpie as a whole to

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improve market competitiveness. Both companies also have agreed to the idea that making Aohata a consolidated company by acquiring the Aohata Shares by the Tender Offer and acquiring additional Aohata Shares by the Company Split will contribute to their further growth and development and to the improvement in their corporate value, because it will lead to further active utilization of each other's management know-how as to endless promotion of the rationalization, integration of both companies' sales channels in and outside of Japan, enhancement of partnership between them in processing fruits, strengthening the processed foods business and improving profitability of Kewpie, and strengthening the management base of Aohata through further utilizing the management resources of Kewpie.

The transaction of transferring the Split Business to Aohata and making Aohata its consolidated subsidiary is a part of Kewpie's main engagement of "carrying out the business restructuring" of the processed foods business under its medium-term business plan. Both companies recognize the Company Split as very significant in achieving "sustainable domestic growth", a medium-term goal of the Group, since it will strengthen the Group's system for delivering a "delicious taste" and leaving a lasting "impression" on customers. The synergies specifically are expected to have some strong points as follows:

- (i) The promotion of both jam manufacturing and selling businesses by Aohata will lead to the commercialization of products in quick response to market needs.

The integration of manufacturing and selling businesses will enable rapid product development in response to market needs and expand the activities from the jam market into a wider market of fruit processed products, including jams, whereby generating a new value. Aohata will accelerate the development of products, such as fruit sauces, fruit gelee and fruit desserts and also strengthen the expertise and capabilities of proposal by specialist sales representatives.

- (ii) Both companies will utilize their sales channels and enhance their values to the utmost extent.

Kewpie has an advantage of balanced, wide-ranged sales channels in Japan for condiments and processed foods for the eating-out market, including restaurants, eggs for manufacturing use for bakeries and confectionery makers and for the home meal replacement market, including convenience stores and delicatessen stores. Aohata, on the other hand, has built its unique channel for sales of fruits as materials to manufacturers for use in yogurt and other dairy products. The utilization of these sales channels by the Group as a whole will expand the sales channel for fruit processed products and thus, there is still considerable room for growth in Japan.

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- (iii) Both companies will accelerate the development of fruit processed products, including jams, in East Asia.

Aohata has established and operated a jam manufacturing company in China. Both companies believe that in response to the growing bakery and bread markets, Aohata will be able to accelerate its overseas development by utilizing Kewpie's know-how as to overseas businesses that are taking root in China and the ASEAN nations and its infrastructures.

For these reasons, Kewpie and Aohata, at the meetings of their respective Boards of Directors held today, resolved to make the Company Split, which shall become effective subject to the completion of the Tender Offer. Kewpie, in addition to the Company Split, resolved to acquire the Aohata Shares by making the Tender Offer. After the completion of the Tender Offer, when the Company Split becomes effective (scheduled on December 1, 2014), Aohata will become a consolidated subsidiary of Kewpie based on the effective control standards.

2. Summary of the Company Split:

(1) Schedule for the Company Split:

| | |
|---|---------------------------------------|
| Resolution date of absorption-type company split by both companies' Boards of Directors | Tuesday, December 24, 2013 |
| Agreement date of absorption-type company split | Tuesday, December 24, 2013 |
| Effective date of absorption-type company split | Monday, December 1, 2014 (Planned) |

(Note 1) Both Kewpie, the transferring company, pursuant to Article 784, paragraph 3 of the Companies Act providing for simple absorption-type company splits, and Aohata, the succeeding company, pursuant to Article 796, paragraph 3 of the Companies Act providing for simple absorption-type company splits, will make the Company Split without obtaining approval of their respective general meetings of shareholders.

(Note 2) The effective date of absorption-type company split may be changed upon agreement between both companies.

(Note 3) The absorption-type company split shall become effective subject to the completion of the Tender Offer.

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(2) Method of the Company Split:

Absorption-type company split that positions Kewpie as the transferring company and Aohata as the succeeding company.

(3) Details of the allocation in connection with the Company Split:

Aohata shall, in consideration for the Split Business, allocate and deliver to Kewpie 1,192,000 new shares of common stock of Aohata (holding ratio: 17.31%); provided, however, that such number of shares to be allocated may be changed upon consultation between both companies if any material change occurs in the conditions precedent to the calculation in 3. (2) below.

The Company Split is positioned in the Organization Restructuring as described below:

As of December 24, 2013, Kewpie directly holds 1,088,036 Aohata Shares (holding ratio: 15.80%) and together with 25,000 Aohata Shares (holding ratio: 0.36%) indirectly held through its subsidiary K.R.S. Corporation, holds 1,113,036 shares (holding ratio: 16.16%) in total, whereby making Aohata its equity-method affiliate. As described in the "Notice of Commencement of Tender Offer for the Shares of Aohata Corporation (Security Code of Japan: 2830)" publicized today, Kewpie plans to make the Tender Offer to purchase a maximum of 1,597,800 issued shares of Aohata and a minimum of 1,355,600 issued shares of Aohata for the period from December 25, 2013 to January 29, 2014 (20 business days). Upon the completion of the Tender Offer, Kewpie is expected to acquire at least 1,355,600 shares, the minimum of the Tender Offer. On or after the effective date of the Company Split on December 1, 2014 (planned), Kewpie will directly hold at least 3,635,636 Aohata Shares (holding ratio: 19.68%), including 1,355,600 shares, the minimum of the Tender Offer.

Consequently, Kewpie's holding ratio to the total voting rights of Aohata (for the purpose of this calculation, the denominator is 8,078,976 shares, obtained by adding 6,886,976 shares (obtained by deducting 13,024 shares of treasury stock as of October 31, 2013 from the total number of 6,900,000 issued shares as of the same day) and 1,192,000 shares to be delivered to Kewpie as consideration for the Company Split) will be at least 45.00% (in terms of direct holding) and based on the effective control standards, Aohata will become a consolidated subsidiary of Kewpie. For more details, please refer to "2. Outline of the Scheme of the Organization Restructuring" (in "For reference") below.

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- (4) Treatment of stock acquisition rights and bonds with stock acquisition rights in connection with the Company Split:

Kewpie has issued no stock acquisition rights or bonds with stock acquisition rights.

- (5) Capital to be increased or decreased upon the Company Split:

No capital will be increased or decreased at Kewpie or Aohata upon the Company Split.

- (6) Rights and obligations to be succeeded by the succeeding company:

As of the effective date of the Company Split, the succeeding company Aohata will, pursuant to the absorption-type company split agreement entered into with the transferring company Kewpie, succeed all assets, agreements and other rights and obligations considered necessary for the conduct of the Split Business.

In the Company Split, Aohata will not succeed employment contracts. However, on or after the effective date thereof, it will accept temporary transfers of employees engaging in the Split Business from Kewpie.

- (7) Prospect for the performance of obligations:

Kewpie and Aohata consider that they will perform their respective obligations that will become due on or after the effective date of the Company Split.

3. Grounds for the allocation in connection with the Company Split, etc.:

- (1) Grounds and reasons for the allocation:

With regard to the number of new shares of common stock of Aohata to be delivered to Kewpie as consideration for the Split Business upon the Company Split, both companies have discussed and negotiated together with the conditions for the Tender Offer simultaneously publicized with the Company Split.

To ensure the fairness and properness of the number of shares to be allocated upon the Company Split, Kewpie requested Daiwa Securities Co., Ltd. ("Daiwa Securities"), and Aohata requested YAMADA FAS Co., Ltd. ("Yamada FAS"), to make calculations about the number of shares to be allocated, and implemented measures for ensuring fairness and measures for avoiding conflicts of interest, respectively, as described in (3) and (4) below. After the discussions and negotiations based on the results of calculations by these third-party calculation agencies, the level of the market prices of the Aohata Shares and various other

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factors, both companies determined and agreed that it would be proper to fix the number of new shares of common stock of Aohata to be delivered to Kewpie as consideration for the Split Business upon the Company Split at 1,192,000 shares as described in "2. (3) Details of the allocation in connection with the Company Split" above, and upon resolution of their respective Boards of Directors for the approval of the absorption-type company split agreement, entered into the agreement today.

Kewpie and Aohata have received no opinion from the above third-party calculation agencies that the number of shares to be allocated would be fair to their respective shareholders from the financial perspective.

(2) Matters concerning the calculations:

- (i) Names of the calculation agencies and their relations with Kewpie and Aohata:

To ensure the fairness and properness of the number of shares to be allocated upon the Company Split, Kewpie and Aohata determined to respectively seek opinions from independent third-party calculation agencies: Kewpie appointed Daiwa Securities and Aohata appointed Yamada FAS to receive calculation reports. Neither of the calculation agencies Daiwa Securities and Yamada FAS falls under the category of a related party of Kewpie or Aohata and has no material conflict of interest with Kewpie or Aohata.

- (ii) Summary of the calculations:

Daiwa Securities, with regard to the Split Business, has adopted a comparable peer company analysis because two or more listed peer companies comparable to the Split Business exist and it is possible to know the business value by analogy by using the comparable peer company analysis. It also has adopted a discounted cash flow method ("DCF method") to reflect the status of business activities in the future on its evaluation. Thus it has made calculations. With regard to Aohata, Daiwa Securities has adopted a market price method because the Aohata Shares are listed on the Tokyo Stock Exchange and its market prices are available (with the calculation reference date being fixed on December 20, 2013, the closing price on the calculation reference date and the average closing prices for the respective periods of one, three and six months up to the calculation reference date are used). It also has adopted a DCF method to reflect the status of business activities in the future on its evaluation. Thus it has made calculations. The results of its calculations under each method are as follows.

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With regard to the following range of calculation of the number of shares to be allocated to the Split Business, the evaluation range has been calculated under the market approach by using the result of calculation of the Split Business by the comparable peer company analysis and by using the result of calculation of Aohata by the market price method. Under the DCF method, the evaluation range has been calculated by using the results of calculations of both the Split Business and Aohata by the DCF method.

| Calculation method | Number of shares to be allocated to the Split Business |
|--------------------|--|
| Market approach | 848,000 shares to 1,272,000 shares |
| DCF method | 1,005,000 shares to 2,099,000 shares |

Yamada FAS, with regard to the Split Business, has adopted a comparable peer company analysis because two or more listed peer companies comparable to the Split Business exist and it is possible to know the business value by analogy by using the comparable peer company analysis. It also has adopted a discounted cash flow method ("DCF method") to reflect the status of business activities in the future on the evaluation of the Split Business. Thus it has made calculations. With regard to Aohata, Yamada FAS has adopted a market price method because Aohata Shares are listed on the Tokyo Stock Exchange and its market prices are available (with the calculation reference date being fixed on December 20, 2013, the closing price on the calculation reference date and the average closing prices for the respective periods of one, three and six months up to the calculation reference date are used). It also has adopted a DCF method to reflect the status of business activities in the future on its evaluation. Thus it has made calculations. The results of its calculations under each method are as follows.

With regard to the following range of calculation of the number of shares to be allocated to the Split Business, the evaluation range has been calculated under the market approach by using the result of calculation of the Split Business by the comparable peer company analysis and by using the result of calculation of Aohata by the market price method. Under the DCF method, the evaluation range has been calculated by using the results of calculations of both the Split Business and Aohata by the DCF method.

| Calculation method | Number of shares to be allocated to the Split Business |
|--------------------|--|
| Market approach | 994,000 shares to 1,308,000 shares |
| DCF method | 978,000 shares to 1,610,000 shares |

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Daiwa Securities and Yamada FAS, upon calculation of the number of shares to be allocated, have adopted information provided by both companies (Kewpie and Aohata) and information made available to the public, in general and assumed that the materials and information so adopted are all correct and complete. So they have not independently verified the correctness, reliability, completeness or properness thereof. They have not independently made, or requested any third-party agency to make, any evaluation, appraisal or assessment of the assets or liabilities (including off-balance assets and liabilities and other contingent liabilities) of both companies and their respective affiliates, including the analysis and evaluation of individual assets and liabilities. In addition, they have assumed that the financial forecasts (including profit plans and other information) submitted by both companies were prepared by their respective managements rationally and in accordance with the proper procedures based on their best predictions and judgments available when such information was provided.

The future profit plan of the Split Business which Daiwa Securities and Yamada FAS have based in the calculations by the DCF method includes a fiscal year for which profits are expected to increase substantially. This is principally because profits are expected to increase as costs that temporarily increased as a result of product changes for the fiscal year ended October 31, 2013 will decrease for the fiscal year ending October 31, 2014 and thereafter. Other general and administrative expenses related to the Split Business are expected to remain at the current level. The future profit plan of Aohata, which have been prepared based on the current organizational structure, includes a fiscal year for which profits are expected to increase substantially.

This is because while profits decreased due to rises in prices of raw materials and a weakened earning base for the fiscal year ended October 31, 2013, profits are expected to increase due to the promotion of generating greater values to products by technological innovations, an increase in fruit yields, the optimization of its production system and decreases in processing cost and selling, general and administrative expenses for the fiscal year ending October 31, 2014 and thereafter.

(3) Measures for ensuring fairness:

The Company Split does not fall under the category of a company split with a controlling shareholder. However, in consideration of the facts that Kewpie holds 16.16% (the holding ratio including the indirect holdings at present) of the Aohata Shares and that Aohata is an equity-method affiliate of Kewpie, which has dispatched its officers to Aohata as

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outside directors (Messrs. Minesaburo Miyake and Amane Nakashima) and outside corporate auditor (Mr. Shunichiro Ishiguro), Kewpie and Aohata have implemented the measures for ensuring fairness, as described below, to ensure the fairness of the Company Split:

(i) Receipt of calculation reports:

To ensure the fairness of the Company Split, Kewpie and Aohata appointed Daiwa Securities and Yamada FAS, respectively as third-party calculation agencies independent of both companies and received calculation reports as to the number of shares to be allocated in the Company Split on December 20, 2013. Both companies have received no opinion from the above third-party calculation agencies that the number of shares to be allocated would be fair to their respective shareholders from the financial perspective.

(ii) Advice from independent law firms:

Kewpie and Aohata appointed Nagashima Ohno & Tsunematsu and STW & Partners, respectively as legal advisors and received legal advice as to the decision-making method concerning the Company Split. Neither of Nagashima Ohno & Tsunematsu or STW & Partners has no material conflict of interest with Kewpie or Aohata.

(4) Measures for avoiding conflicts of interest:

The Company Split does not fall under the category of a company split with a controlling shareholder. However, in consideration of the facts that Kewpie holds 16.16% (the holding ratio including the indirect holdings at present) of Aohata Shares and that Aohata is an equity-method affiliate of Kewpie, which has dispatched its officers to Aohata as two outside directors and one outside corporate auditor, the measures, as described below, have been implemented as measures for avoiding conflicts of interest:

Among the directors of Aohata, Mr. Minesaburo Miyake is President and Representative Director of Kewpie and Mr. Amane Nakashima is Executive Managing Director of Kewpie and a conflict of interest exists or may exist with regard to the Company Split. Therefore either of them, in consideration of their respective positions in Aohata, did not participate in the discussions and negotiations with Kewpie with regard to the Company Split or at the meeting of the board of directors of Aohata held today, did not participate in the discussions and resolution with regard to the Company Split. A corporate auditor of Aohata Mr. Shunichiro Ishiguro concurrently serves as outside Corporate Auditor of Kewpie and a conflict of interest may exist with regard to the Company Split. Therefore he did not participate in the discussions with regard to the Company Split at the said meeting of the board of directors. At the meeting of the board of directors, all directors of Aohata other

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than Messrs. Minesaburo Miyake and Amane Nakashima were present and unanimously approved of the resolution for the Company Split and all corporate auditors of Aohata other than Mr. Shunichiro Ishiguro were present and expressed their respective opinions that they had no objection to the resolution.

(5) Prospect for delisting and the reasons therefor:

With regard to the Company Split, there is no prospect for delisting in relation to Kewpie or Aohata.

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4. Overview of the parties to the Company Split (as of May 31, 2013 with regard to Kewpie and as of October 31, 2013 with regard to Aohata):

| | Transferring company | Succeeding company |
|-------------------------------------|--|---|
| (1) Corporate name | Kewpie Corporation | Aohata Corporation |
| (2) Location | 4-13, Shibuya 1-chome, Shibuya-ku, Tokyo (which is the location of the head office registered in the Corporate Register; actual business is conducted at 5-7, Sengawa-cho 2-chome, Chofu-shi, Tokyo) | 1-25, Tadanoumi nakamachi 1-chome, Takehara-shi, Hiroshima Prefecture |
| (3) Representative's name and title | Minesaburo Miyake President and Representative Director | Eiichi Nozawa President and Representative Director |
| (4) Business | Manufacture and sale of condiments and processed foods | Manufacture and sale of jams |
| (5) Stated capital | ¥24,104 million | ¥644 million |
| (6) Date of establishment | December 10, 1919 | December 28, 1948 |
| (7) Total number of issued shares | 153,000,000 shares | 6,900,000 shares |
| (8) Date of closing of accounts | November 30 of each year | October 31 of each year |
| (9) Number of employees | 12,425 (Consolidated) | 421 (Consolidated) |
| (10) Major clients | Kato Sangyo Co., Ltd. Mitsubishi Corporation ITOCHU Corporation Aohata Corporation | Kewpie Corporation AFC Co., Ltd. Tohoku Aohata Co., Ltd. Geinan Shokuhin Co., Ltd. |
| (11) Main banks | Sumitomo Mitsui Banking Corporation Mizuho Corporate Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. | Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Hiroshima Bank, Ltd. |

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| | Transferring company | Succeeding company |
|---|--|---|
| (12) Principal shareholders and their shareholding ratios | Nakashimato Co., Ltd.: 17.24% Japan Trustee Services Bank, Ltd. (Trust account): 4.29% Touka Co., Ltd.: 3.18% Trust & Custody Services Bank, Ltd., trustee of sub-trust of Mizuho Trust & Banking Co., Ltd. Employee Retirement Benefit Trust Account for Mizuho Bank, Ltd.: 3.00% Japan Trustee Service Bank, Ltd. (Trust account 9) : 2.94% The Master Trust Bank of Japan Ltd. (Trust account): 2.83% Kieikai Research Foundation: 2.78% Kewpie Corporation: 2.13% Sumitomo Mitsui Banking Corporation: 2.10% Nippon Life Insurance Company: 2.02% | Nakashimato Co., Ltd.: 19.63% Kewpie Corporation: 15.77% Yu Shokai Co., Ltd.: 11.59% Aohata Mochikabukai: 5.02% Tamao Hatsukade: 2.06% Toyo Seikan Group Holdings, Ltd.: 1.54% Ikuo Hatsukade: 1.21% Amane Nakashima: 0.96% Chiaki Nakashima: 0.94% Chizuru Nakashima: 0.93% |
| (13) Relationships between the parties: | | |
| Capital relationship | Kewpie holds 16.16% of the total number of issued shares of Aohata (for the purpose of this calculation, the numerator includes Kewpie's indirect holdings and as the denominator the total number of issued shares of Aohata with the deduction of the number of shares of its treasury stock is used). | |
| Personnel relationship | Two Directors are concurrently serving as directors for both companies and one Corporate Auditor is concurrently serving as corporate auditor for both companies. Kewpie has temporarily transferred three employees to Aohata and Aohata has temporarily transferred four employees to Kewpie. | |
| Transactional relationship | A relationship of transaction of products, including jams, among others, exists between Kewpie and Aohata. | |
| Status as a related party | Aohata is an equity-method affiliate of Kewpie. Hence, each party falls under the category of related party to the other. | |

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| (14) Business results and financial conditions for the last three fiscal years: | | | | | | |
|---|-----------------------------------|------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------|
| Fiscal year | Kewpie Corporation (Consolidated) | | | Aohata Corporation (Consolidated) | | |
| | Year ended November 30, 2010 | Year ended November 30, 2011 | Year ended November 30, 2012 | Year ended October 31, 2010 | Year ended, October 31, 2011 | Year ended October 31, 2012 |
| Net assets | 180,901 | 185,293 | 195,928 | 9,087 | 9,520 | 9,870 |
| Total assets | 287,957 | 275,790 | 306,515 | 12,554 | 137,251 | 13,309 |
| Net assets per share (yen) | 1,029.26 | 1,068.67 | 1,141.68 | 1,298.78 | 1,362.06 | 1,413.80 |
| Net sales | 471,010 | 486,435 | 504,997 | 19,000 | 19,360 | 18,697 |
| Operating income | 22,119 | 20,816 | 23,368 | 943 | 935 | 538 |
| Ordinary income | 22,762 | 21,912 | 24,467 | 963 | 955 | 560 |
| Net income | 10,613 | 9,449 | 12,291 | 525 | 520 | 365 |
| Net income per share (yen) | 69.97 | 62.63 | 82.09 | 76.35 | 75.61 | 53.02 |
| Dividend per share (yen) | 18 | 18 | 20 | 15 | 15 | 15 |

(millions of yen, except as otherwise specified)

5. Overview of the business section to be split:

(1) Content of business of the section to be split:

Business of selling bread-related products

(2) Business results of the section to be split:

(millions of yen)

| | Year ended November 30, 2012 |
|-----------|------------------------------|
| Net sales | 12,098 |

The section recorded an operating income.

(3) Items of assets and liabilities to be split and the book values thereof:

(millions of yen)

| Item | Book value | Item | Book value |
|----------------|------------|-----------------------|------------|
| Current assets | 216 | Current liabilities | - |
| Fixed assets | - | Long-term liabilities | - |
| Total | 216 | Total | - |

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The above-listed amounts are as of May 31, 2013. The actual amounts of assets and liabilities to be split will be determined by taking into account any increase or decrease in the amounts up to the day immediately preceding the effective date of the Company Split.

6. Status after the Company Split:

| | Transferring company |
|-------------------------------------|--|
| (1) Corporate name | Kewpie Corporation |
| (2) Location | 4-13, Shibuya 1-chome, Shibuya-ku, Tokyo (which is the location of the head office registered in the Corporate Register; actual business is conducted at 5-7, Sengawa-cho 2-chome, Chofu-shi, Tokyo) |
| (3) Representative's name and title | Minesaburo Miyake President and Representative Director |
| (4) Business | Manufacture and sale of condiments and processed foods |
| (5) Stated capital | ¥24,104 million |
| (6) Date of closing accounts | November 30 of each year |
| (7) Net assets | To be determined |
| (8) Total assets | To be determined |

| | Succeeding company |
|-------------------------------------|---|
| (1) Corporate name | Aohata Corporation |
| (2) Location | 1-25, Tadanoumi nakamachi 1-chome, Takehara-shi, Hiroshima Prefecture |
| (3) Representative's name and title | Eiichi Nozawa President and Representative Director |
| (4) Business | Manufacture and sale of jams |
| (5) Stated capital | ¥644 million |
| (6) Date of closing accounts | October 31 of each year |
| (7) Net capital | To be determined |
| (8) Net assets | To be determined |

7. Overview of the accounting:

The accounting of the Company Split will be publicized as soon as it is determined.

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8. Future prospect:

The effect of the Company Split on the consolidated business results of Kewpie and Aohata will be publicized respectively, immediately when it becomes confirmed.

- END -

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(For reference)

1. Forecasts of consolidated business results for the current fiscal year and the actual consolidated business results for the previous fiscal year of Kewpie Corporation and Aohata Corporation:

(1) Forecast of consolidated business results for the current fiscal year (as publicized on October 3, 2013) and the actual consolidated business results for the previous fiscal year:

(millions of yen)

| | Net sales | Operating income | Ordinary income | Net income |
|---|-----------|------------------|-----------------|------------|
| Forecast (for the year ending November 30, 2013) | 520,000 | 23,500 | 24,300 | 12,500 |
| Actual results (for the year ended November 30, 2012) | 504,997 | 23,368 | 24,467 | 12,291 |

(2) Forecast of consolidated business results for the current fiscal year (as publicized on December 10, 2013) and the actual consolidated business results for the previous fiscal year:

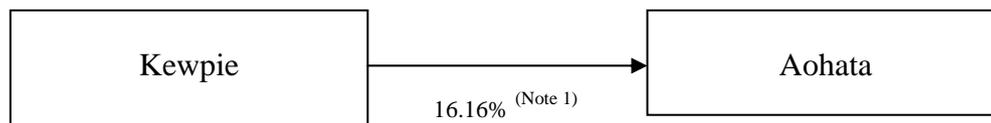
(millions of yen)

| | Net sales | Operating income | Ordinary income | Net income |
|--|-----------|------------------|-----------------|------------|
| Forecast (for the year ending October 31, 2014) | 19,400 | 400 | 410 | 250 |
| Actual results (for the year ended October 31, 2013) | 18,697 | 538 | 560 | 365 |

2. Outline of the scheme of the Organization Restructuring:

(1) Current:

As of December 24, 2014, Kewpie has made Aohata its equity-method affiliate.



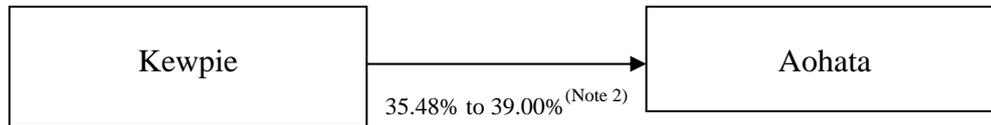
Kewpie Corporation

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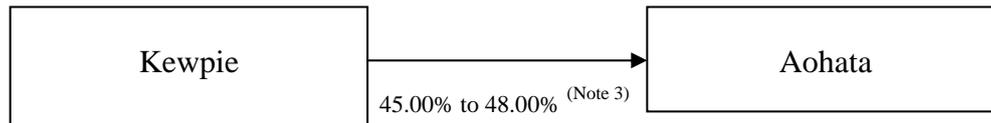
(2) After the Tender Offer:

After the Tender Offer, Kewpie will hold 35.48% to 39.00% ^(Note 2) of Aohata Shares.



(3) After the Company Split:

Kewpie will let Aohata succeed the Split Business by the Company Split as of December 1, 2014 as the effective date and in consideration therefor, receive the allocation and delivery of the Aohata Shares. As a result, Kewpie will make Aohata its consolidated subsidiary based on the effective control standards.



Note 1. Holding ratio calculated by using, as the numerator, the number of the Aohata Shares held by Kewpie, including its indirect holdings and as the denominator, 6,886,976 shares obtained by deducting from the total number of issued shares of Aohata (as of October 31, 2013) the number of shares of its treasury stock (as of October 31, 2013).

All calculations shall be made to three decimal places, with the result rounded off to the two decimal places (the same shall apply to all calculations under Note 2 and Note 3 below).

Note 2. 35.48% is a holding ratio where the minimum number of shares to be purchased in the Tender Offer is purchased and 39.00% is a holding ratio where the maximum number of shares to be purchased in the Tender Offer is purchased. Either of the holding ratios does not include any indirect holdings and as the denominator, as in Note 1 above, 6,886,976 shares are used for the calculation.

Note 3. Holding ratio calculated by using, as the numerator, the number of the Aohata Shares (not including its indirect holdings) after Kewpie acquires 1,192,000 shares in consideration for the Company Split and as the denominator, 6,886,976 shares set for in Note 1 with the addition of 1,192,000 shares.

Kewpie Corporation

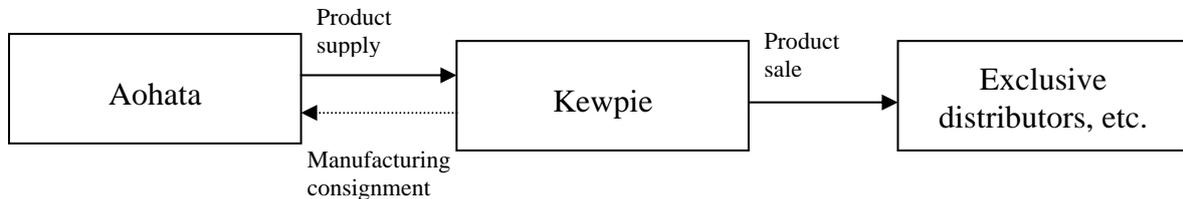
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3. Change in the product distribution in the processed foods business after the Company Split:

(1) Current:

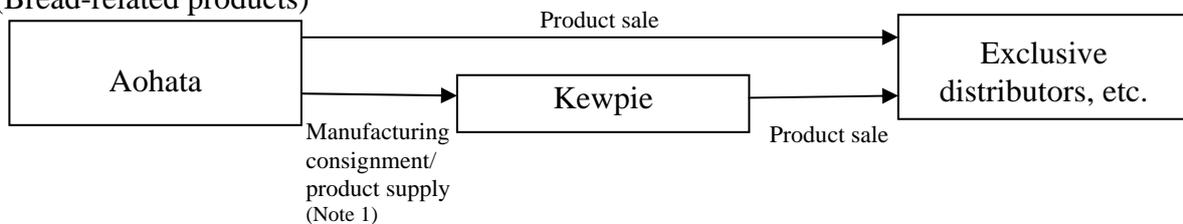
In the processed foods business, Kewpie consigns principally the manufacturing of bread-related products to Aohata and manufactures pasta- and rice-related products in-house or consigns the manufacturing of part of such products to Aohata. Kewpie purchases directly from Aohata products consigned to Aohata, including bread-related products, among others and sells them to its exclusive distributors and other third parties.



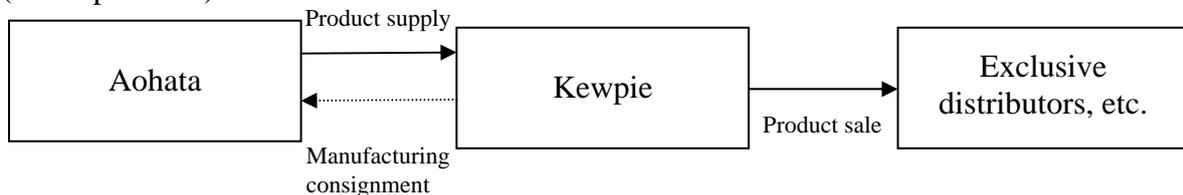
(2) After the Company Split:

After the Company Split, the function of selling bread-related products will be transferred from Kewpie to Aohata and Aohata will principally be responsible for selling bread-related products. On the other hand, Kewpie plans to continue to have the function of selling other products, including pasta- and rice-related products.

(Bread-related products)



(Other products)



Note 1. To sell bread-related products in some areas, Aohata plans to consign sales to Kewpie and conduct sales to its exclusive distributors and others through Kewpie.