This document is an English translation of a statement written initially in Japanese. The Japanese original should be considered as the primary version.

December 25, 2013
ITOCHU Corporation
(Code No. 8001, Tokyo Stock Exchange, 1st Section)
Representative Director and President: Masahiro Okafuji
Contact: Tomoyuki Takada
General Manager, Corporate Communication Division
(TEL. +81-3-3497-7291)

Notice of the Commencement of a Tender Offer by ITOCHU Corporation's Consolidated Subsidiary (ITOCHU Food Sales and Marketing Co., Ltd.)

ITOCHU Corporation's consolidated subsidiary ITOCHU Food Sales and Marketing Co., Ltd., announced today that its Board of Directors resolved to acquire the shares of common stock of THE OSAKA DAIICHI RICE DEAL CO., LTD., through a tender offer as stated in the attachment.

Further, the effect of the said tender offer on the business results of ITOCHU is legible.

Summary of the Consolidated Subsidiary Making the Tender Offer

(1)	Name	ITOCHU Food Sales and Marketing Co., Ltd.
(2)	Location	21st Floor, Shin-Aoyama Building West Wing, 1-1-1, Minami Aoyama, Minato-ku, Tokyo, Japan
(3)	Name and Position of Representative	Takashi Kohyama, President & CEO
(4)	Business Lines	Domestic marketing of food materials such as sweeteners, wheat, fats and oils, rice, confectionary ingredients, and beverage ingredients
(5)	Capital	¥400 million

(Attachment)
Disclosure documents of ITOCHU Food Sales and Marketing Co., Ltd.

"Notice of the Commencement of a Tender Offer for Share Certificates, etc., of THE OSAKA DAIICHI RICE DEAL CO., LTD."

(Attachment)

December 25, 2013

To whom it may concern

Company name: ITOCHU Food Sales and Marketing Co., Ltd.
Representative: Takashi Koyama, President & CEO

Notice of the Commencement of a Tender Offer for Share Certificates, etc., of THE OSAKA DAIICHI RICE DEAL CO., LTD.

ITOCHU Food Sales and Marketing Co., Ltd. (the “Tender Offeror,” “ITOCHU Food Sales and Marketing,” or the “Company”) announced today that its Board of Directors resolved on December 25, 2013, to acquire the share certificates, etc., of THE OSAKA DAIICHI RICE DEAL CO., LTD. (the “Target Company”) through a tender offer (the “Tender Offer”) as follows.

1. Purpose, etc., of the Tender Offer

(1) Outline of the Tender Offer

ITOCHU Food Sales and Marketing currently holds 4,573 shares of common stock of the Target Company (the Shareholding Ratio:*[1] 27.91% (rounded to two decimal places, same for ratios hereafter)) and is the largest shareholder of the Target Company. On this occasion, aiming to further strengthen the Company’s relationship with the Target Company, which is an equity-method associated company of the Company, the Company resolved at a meeting of its Board of Directors convened on December 25, 2013, to implement the Tender Offer with a view to acquiring 3,441 shares of common stock of the Target Company (Shareholding Ratio: 21.00%).

As stated in “(2) Background of and Reasons for the Tender Offer as well as Management Policies after the Tender Offer” below, the Company has acquired shares of the Target Company in stages to strengthen its relationship with the Target Company. However, because the Tender Offer is not intended to acquire the right to manage the Target Company as a subsidiary, the Company has set 3,441 shares as the maximum limit of the Number to Be Purchased. If the aggregate number of tendered share certificates, etc., does not exceed the maximum limit of the Number to Be Purchased (3,441 shares), the Company shall purchase all the tendered share certificates, etc. However, if the aggregate number of tendered share certificates, etc., exceeds the maximum limit of the Number to Be Purchased (3,441 shares), the Company shall not purchase any of the amount exceeding the limit and shall implement transfer of share certificates, etc., and other settlement procedures using the method of proportional distribution pursuant to Article 27-13-5 of the Financial Instruments and Exchange Act (Act No. 25 of 1948. Including subsequent revisions. The “Act”) and Article 32 of the Cabinet Office Ordinance regarding Disclosure of Tender Offers for Shares, etc., by Entities Other than Issuers (Ministry of Finance Ordinance No. 38 of 1990. Including subsequent revisions. The “Cabinet Office Ordinance”). Accordingly, the Tender Offer will result in the Company owning a maximum of 8,014 shares of common stock of the Target Company (Shareholding Ratio: 48.92%) and give the Company a maximum Voting Share Ratio of 49.00%.*[2]

According to the Target Company’s announcement “Notice of the Announcement of an Opinion on the Tender Offer by ITOCHU Food Sales and Marketing Co., Ltd., for Shares of THE OSAKA DAIICHI RICE DEAL CO., LTD.” (the “Target Company’s Announcement”), released on December 25, 2013, the Target Company resolved at a meeting of its the Board of Directors convened on December 25, 2013, to release an opinion concurring with the Tender Offer made by the Company as a result of arriving at the conclusion that, because domestic demand is continuing to decline in the rice market, it is necessary to further strengthen the operational alliance relationship as well as to advance the capital alliance further in order to contribute to the continuous mutual development of both parties; together with consideration of the fact that, because the Target Company is an unlisted company and opportunities to transfer the Target Company’s shares to shareholders are restricted, providing transfer opportunities is necessary. In addition, although the Target Company desires the achievement of the Tender Offer, because the Tender Offer is not intended to acquire all of the shares of common stock of the Target Company to make it a wholly owned subsidiary, the Target Company also resolved to entrust to the judgment of shareholders whether or not to apply for the Tender Offer.

In order to avoid any suspicion of conflict of interest given that among directors of the Target Company Takashi Ochi has been loaned from the Company, this person did not participate in deliberations and resolutions of the Target Company’s Board of Directors relating to the Tender Offer. Moreover, this person did not participate in deliberations with the Company from the position of the Target Company. Of the Target Company’s five directors, excluding the above-mentioned person, all four directors attended the said meeting of the Board of Directors, and all the attending directors decided unanimously on the above-mentioned resolutions. All three of the Target Company’s corporate auditors (of whom two are outside corporate auditors) attended the said meeting of the Board of Directors, and each stated no objection to the above-mentioned resolutions.

Further, the articles of incorporation of the Target Company stipulate that acquisition through transfer of shares of the Target Company requires the approval of the Board of Directors. However, regarding the purchase of shares tendered for the Tender Offer, the Target Company approved a resolution permitting the Company's acquisition of the said shares, based on the condition of the achievement of the Tender Offer, at a meeting of the Board of Directors of the Target Company convened on December 25, 2013.

*1 The Shareholding Ratio is the ratio of the number of shares held by the Company to the total number of issued shares of the Target Company as of September 30, 2013 (16,383 shares), stated in the interim security report for the 14th term filed by the Target Company on December 24, 2013.

*2 The Voting Share Ratio is the ratio of the number of voting rights held by the Company to the number of voting rights (16,355 voting rights) represented by 16,355 shares, which is the total number of issued shares of the Target Company as of September 30, 2013 (16,383 shares), stated in the interim security report for the 14th term filed by the Target Company on December 24, 2013, minus cross-held shares as of the same date (10 shares) and the Target Company's shares of treasury stock as of today (18 shares).

(2) Background of and Reasons for the Tender Offer as well as Management Policies after the Tender Offer

The Company is a wholly owned subsidiary of ITOCHU Corporation ("ITOCHU") and is engaged in the import and domestic marketing of food materials such as sweeteners, wheat, fats and oils, rice, confectionary ingredients, and beverage ingredients. The Company's predecessor I-FOODS Co., Ltd., was engaged in the import and domestic marketing of food materials. However, in October 2011, this company merged with ITOCHU's wholly owned subsidiary ITOCHU Rice Corporation ("ITOCHU Rice"), which marketed rice and bread food materials, and has operated as ITOCHU Food Sales and Marketing since then.

The Target Company's main businesses are rice sales and processing operations centered on Osaka Prefecture, and the Target Company was founded as Osaka Daiichi Shokuryo Jigyo Kyodo Kumiai in 1951. In 2000, this company was reorganized, and THE OSAKA DAIICHI RICE DEAL was established.

From the ITOCHU Rice era, the Company's rice headquarters built a business model that basically involved not engaging in rice milling operations as much possible and contracting major rice millers in each region to engage in rice milling operations. However, in order to increase sales to convenience stores, general merchandising stores, and restaurants further and realize further growth going forward, increasing the flexibility of rice milling operations and strengthening price competitiveness have become indispensable. The Company has changed its policy in the direction of advancing capital alliances with companies that it contracts to engage in rice milling. Based on this policy and aiming to further strengthen the Company’s relationship with the Target Company, which was a contractor of the Company with which it had an existing favorable relationship, the Company used its August 2009 acquisition through a negotiated transaction of 1,640 shares of common stock (Shareholding Ratio: 10.01%) of the Target Company that a major shareholder of the Target Company owned as an opportunity to conclude a memorandum of understanding in June 2011 about an operational alliance among three companies: ITOCHU Rice, ITOCHU, and the Target Company.

Since then, the Company has aimed to stabilize the Target Company’s business management foundations and strengthen the operational alliance and realize even greater enhancement of development and corporate value than previously by investing in the Target Company. To these ends, the Company acquired 1,378 shares of treasury stock (Shareholding Ratio: 8.41%) that the Target Company owned through a private placement by the Target Company and 104 shares of common stock (Shareholding Ratio: 0.63%) of the Target Company from shareholders through negotiated transactions in March 2012 and acquired 1,451 shares of treasury stock (Shareholding Ratio: 8.86%) that the Target Company owned through a private placement by the Target Company in February 2013. In this way, through acquisition in stages, the Company has advanced initiatives aimed at expanding, improving, and developing the business management foundations of both companies. The Company owns 4,573 shares (27.91% of the total number of issued shares of the Target Company as of March 31, 2013, (16,383 shares), stated in the security report for the 13th term filed by the Target Company on June 26, 2013; a Voting Share Ratio of 27.95% in relation to the number of voting rights (16,361 voting rights) as of March 31, 2013; and in each case the acquisition price was ¥50,000 per share.), and the Target Company has become an equity-method associated company of the Company.

However, the Target Company is facing challenging business conditions, and in order to respond to the declining goods-collection rates of systems in purchasing and sales the Target Company needs to build new purchasing channels, and it needs to secure sales volumes and earnings amid declining domestic demand for rice. Further, the Target Company faces a variety of tasks in the areas of production, distribution, and quality control, including building production systems that cater to the increased production of a large variety of products in small lots, building new logistics infrastructure in response to increasing distribution costs, and taking measures focused on food safety and reliability.

Amid such conditions, the Company and the Target Company have conducted repeated deliberations about a business management strategy of further strengthening the operational alliance, growing business even further, and establishing earnings foundations for the medium-to-long term. Increasingly challenging conditions, resulting from such factors as falling rice prices due to the abolition of Measures for Farm Management Stabilization (formerly the Individual Income Support Allowance System for Farmers), the abolition of acreage reduction, and TPP as well as changes in rice distribution due to the expansion of Internet sales are expected. Amid these expectations, the Company proposed an additional acquisition of shares to the Target Company around April 2013, with a view to furthering the capital alliance, redoubling efforts to increase operational collaboration and invigorate personnel exchanges with the Target Company, increasing the efficiency of both purchasing and sales, and enhancing competiveness within the industry. As a result of both companies proceeding with deliberations and analysis, it was decided that redoubled efforts by the Company and the Target Company to build robust systems for mutual cooperation in a wide range of areas, including purchasing, production, and sales, would help further enhance the corporate value of both companies. The companies concluded that the best way to realize these aims was to strengthen the capital alliance between them and heighten the Company's shareholding in the Target Company, and on December 25, 2013, the Company resolved to implement the Tender Offer with a view to acquiring further shares of the Target Company.

In addition, Takashi Ochi is currently dispatched from the Company to the Target Company as a director. However, the Company does not plan to dispatch additional executives to the Target Company after the Tender Offer.

(3) Important Agreements Related to the Tender Offer
None

(4) Measures to Ensure the Fairness of Purchase Price and to Avoid Conflicts of Interest and Measures to Ensure the Fairness of the Tender Offer
In consideration of the fact that the Company holds 4,573 shares of common stock of the Target Company (Shareholding Ratio: 27.91%) and the fact that, among the directors of the Target Company, Takashi Ochi has been loaned from the Company, with a view to ensuring the fairness of the Tender Offer, the following measures were taken.

1) Acquisition of a Share Valuation Report from a Third-Party Valuation Institution
In determining the price for the Tender Offer, etc., (the "Tender Offer Price"), in order

to ensure the fairness of the purchase price of the Tender Offer, the Company requested SMBC Nikko Securities Inc. ("SMBC Nikko Securities"), a third-party valuation institution independent of the Company and the Target Company, to calculate the share value of the Target Company's shares of common stock. From among several methods of calculating the share value, upon consideration of the method appropriate for calculating the share value of the Target Company's shares of common stock, based on the assumption that the Target Company is a going concern, SMBC Nikko Securities calculated the share value of the Target Company's shares of common stock by using the discounted cash flow method (the "DCF method"). The Company obtained a share valuation report relating to the result of calculating the share value of the Target Company's shares of common stock from SMBC Nikko Securities on December 24, 2013. Further, the Company has not obtained an opinion about the fairness of the Tender Offer Price (fairness opinion) from SMBC Nikko Securities. The range of the value per share of the common stock of the Target Company calculated by SMBC Nikko Securities using the above-mentioned method is as follows.

DCF method: ¥36,172–¥75,224

Using the DCF method, corporate value and share value were analyzed by discounting the free cash flows that the Target Company is expected to generate in future—which were based on examination of business plans related to the Target Company, business result trends until recently and forecasts of future earnings of the Target Company in the fiscal year ending in March 2014 and beyond—at a certain discount rate to give their present values. Based on this analysis, the range of the value per share of the common stock of the Target Company is from ¥36,172 to ¥75,224.

With reference to the result of the calculation of the share value of the Target Company's shares of common stock by SMBC Nikko Securities and in light of comprehensive consideration of such factors as the results of deliberations and negotiations with the Target Company, whether or not the Target Company's Board of Directors concurred with the Tender Offer, and the expected number of applications for the Tender Offer, the Company ultimately decided on a Tender Offer Price of ¥52,000 on December 25, 2013.

2) Approval by All Directors of the Target Company That Do Not Have a Conflict of Interest and Statements of No Objection by All Corporate Auditors

According to the Target Company's Announcement, the Target Company resolved at a meeting of its the Board of Directors convened on December 25, 2013, to release an opinion concurring with the Tender Offer made by the Company as a result of arriving at the conclusion that, because domestic demand is continuing to decline in the rice market, it is necessary to further strengthen the operational alliance relationship as well as to advance the capital alliance further in order to contribute to the continuous mutual development of both parties; together with consideration of the fact that, because the Target Company is an unlisted company and opportunities to transfer the Target Company's shares to shareholders are restricted, providing transfer opportunities is necessary. In addition, although the Target Company desires the achievement of the Tender Offer, because the Tender Offer is not intended to acquire all of the shares of common stock of the Target Company to make it a wholly owned subsidiary, the Target Company also resolved to entrust to the judgment of shareholders whether or not to apply for the Tender Offer.

In order to avoid any suspicion of conflict of interest given that among directors of the Target Company Takashi Ochi has been loaned from the Company, this person did not participate in deliberations and resolutions of the Target Company's Board of Directors relating to the Tender Offer. Moreover, this person did not participate in deliberations with the Company from the position of the Target Company. Of the Target Company's five directors, excluding the above-mentioned person, all four directors attended the said meeting of the Board of Directors, and all the attending directors decided unanimously on the above-mentioned resolutions. All three of the Target Company's corporate auditors (of whom two are outside corporate auditors) attended the said meeting of the Board of Directors, and each stated no objection to the above-mentioned resolutions.

3) The Company's Securing of Objective Conditions to Ensure the Appropriateness of the Tender Offer Price

The Company has set the term of the Tender Offer (the "Tender Offer Period"), which is legally stipulated to be at minimum 20 business days, to be 35 business days. In this way, through the setting of a relatively long Tender Offer Period, the Company has sought to ensure the fairness of the Tender Offer by providing the shareholders of the Target Company with an appropriate amount of time and opportunities to reach decisions on application for the Tender Offer while securing opportunities for parties other than the Company to make opposing tender offers.

Further, to ensure that opportunities for tender offers by parties other than the Company are not unfairly restricted, the Company and the Target Company have given consideration to ensuring the fairness of the Tender Offer by not concluding any agreement restricting the Target Company's contact with parties other than the Company that are proposing opposing tender offers and by securing opportunities for opposing tender offers through the setting of the above-mentioned the Tender Offer Period.

(5) Plans for Acquisition of Share Certificates, etc., following the Tender Offer

At this juncture, the Company does not have any plans to acquire additional share certificates, etc., of the Target Company following the Tender Offer.

2. Outline of the Tender Offer

(1) Outline of the Target Company

<table>
<tr><td>1)</td><td>Name</td><td colspan="2">THE OSAKA DAIICHI RICE DEAL CO., LTD.</td></tr>
<tr><td>2)</td><td>Location</td><td colspan="2">3-7-12, Sakuragawa, Naniwa-ku, Osaka, Japan</td></tr>
<tr><td>3)</td><td>Name and Position of Representative</td><td colspan="2">Katsuichi Ichimaru, President & CEO</td></tr>
<tr><td>4)</td><td>Business Lines</td><td colspan="2">Rice wholesaling and processing operations mainly and wholesaling business for food products, beverages, household products, and fuel related to these operations</td></tr>
<tr><td>5)</td><td>Capital</td><td colspan="2">¥819,150,000</td></tr>
<tr><td>6)</td><td>Date of Incorporation</td><td colspan="2">July 25, 2000</td></tr>
<tr><td rowspan="10">7)</td><td rowspan="10">Major Shareholders and Percentage of Shareholdings (as of September 30, 2013)</td><td>ITOCHU Food Sales and Marketing Co., Ltd.</td><td>27.91%</td></tr>
<tr><td>TableMark Co., Ltd.</td><td>5.01%</td></tr>
<tr><td>National Federation of Agricultural Cooperative Associations</td><td>1.53%</td></tr>
<tr><td>THE OSAKA DAIICHI RICE DEAL Directors’ Shareholding Association</td><td>1.01%</td></tr>
<tr><td>Takashi Kurouchi</td><td>0.63%</td></tr>
<tr><td>Kazuyoshi Douke</td><td>0.49%</td></tr>
<tr><td>UMEDAHIGASHI BEIKOKUTEN K.K.</td><td>0.44%</td></tr>
<tr><td>Hirohisa Okuno</td><td>0.37%</td></tr>
<tr><td>TEMMA SHOKURYO K.K.</td><td>0.35%</td></tr>
<tr><td>Katsuhiko Ozawa</td><td>0.34%</td></tr>
<tr><td rowspan="5">8)</td><td colspan="3">Relationships between the Listed Company and the Target Company</td></tr>
<tr><td>Capital Relationship</td><td colspan="2">The Company holds 4,753 shares (27.91%) of the common stock of the Target Company.</td></tr>
<tr><td>Personal Relationship</td><td colspan="2">The Company has dispatched one director to the Target Company.</td></tr>
<tr><td>Transactional Relationship</td><td colspan="2">The Company sells raw materials to the Target Company and purchases products from the Target Company.</td></tr>
<tr><td>Status as a Related Party</td><td colspan="2">The Company is a major shareholder of the Target Company and is therefore considered a related party of the Target Company.</td></tr>
</table>

(2) Schedule, etc.

1) Schedule

Resolution by Board of Directors	December 25, 2013 (Wednesday)
Date of Public Notice of the Commencement of the Tender Offer	December 26, 2013 (Thursday) Name of newspaper in which public notice shall be published: Nihon Keizai Shimbun
Date of Filing the Tender Offer Explanatory Statement	December 26, 2013 (Thursday)

2) Initial Tender Offer Period in the Explanatory Statement

From December 26, 2013 (Thursday) to February 21, 2014 (Friday) (35 business days)

3) Possibility of Extending the Period upon Request of the Target Company

None

(3) The Tender Offer Price

¥52,000 per share of common stock

(4) Basis of Calculation of the Tender Offer Price

1) Basis of Calculation

In determining the Tender Offer Price, in order to ensure the fairness of the purchase price of the Tender Offer, the Company requested, SMBC Nikko Securities, a third-party valuation institution independent of the Company and the Target Company, to calculate the share value of the Target Company's shares of common stock. From among several methods of calculating the share value, upon consideration of the method appropriate for calculating the share value of the Target Company's shares of common stock, based on the assumption that the Target Company is a going concern, SMBC Nikko Securities calculated the share value of the Target Company's shares of common stock by using the DCF method. The Company obtained a share valuation report relating to the result of calculating the share value of the Target Company's shares of common stock from SMBC Nikko Securities on December 24, 2013. Further, the Company has not obtained an opinion about the fairness of the Tender Offer Price (fairness opinion) from SMBC Nikko Securities. The range of the value per share of the common stock of the Target Company calculated by SMBC Nikko Securities using the above-mentioned method is as follows.

DCF method: ¥36,172–¥75,224

Using the DCF method, corporate value and share value were analyzed by discounting the free cash flows that the Target Company is expected to generate in future—which were based on examination of business plans related to the Target Company, business result trends until recently and forecasts of future earnings of the Target Company in the fiscal year ending in March 2014 and beyond—at a certain discount rate to give their present values. Based on this analysis, the range of the value per share of the common stock of the Target Company is from ¥36,172 to ¥75,224.

With reference to the result of the calculation of the share value of the Target Company's shares of common stock by SMBC Nikko Securities and in light of comprehensive consideration of such factors as the results of deliberations and negotiations with the Target Company, whether or not the Target Company's Board of Directors concurred with the Tender Offer, and the expected number of applications for the Tender Offer, the Company ultimately decided on a Tender Offer Price of ¥52,000 on December 25, 2013.

Further, in August 2009, the Company acquired through a negotiated transaction 1,640 shares of common stock (Shareholding Ratio: 10.01%) of the Target Company that a major shareholder of the Target Company owned; in March 2012, the Company acquired 1,378 shares of treasury stock (Shareholding Ratio: 8.41%) that the Target Company owned through a private placement by the Target Company and 104 shares of common stock (Shareholding Ratio: 0.63%) of the Target Company from shareholders through negotiated transactions; and in February 2013, the Company acquired 1,451 shares of treasury stock (Shareholding Ratio: 8.86%) that the Target Company owned through a private placement by the Target Company at ¥50,000 per share in each case. However, in order to receive applications from a wide range of general shareholders for the Tender Offer, the Company, with reference to the result of the calculation of the share value of the Target Company's shares of common stock by SMBC Nikko Securities and in light of comprehensive consideration, as stated above, has set a price of ¥52,000 per share.

2) Calculation Process

From the ITOCHU Rice era, the Company's rice headquarters built a business model that basically involved not engaging in rice milling operations as much possible and contracting major rice millers in each region to engage in rice milling operations. However, in order to increase sales to convenience stores, general merchandising stores, and restaurants further and realize further growth going forward, increasing the flexibility of rice milling operations and strengthening price competitiveness have become indispensable. The Company has changed its policy in the direction of advancing capital alliances with companies that it contracts to engage in rice milling. Based on this policy and aiming to further strengthen the Company's relationship with the Target Company, which was a contractor of the Company with which it had an existing favorable relationship, the Company used its August 2009 acquisition through a negotiated transaction of 1,640 shares of common stock (Shareholding Ratio: 10.01%) of the Target Company that a major shareholder of the Target Company owned as an opportunity to conclude a memorandum of understanding in June 2011 about an operational alliance among three companies: ITOCHU Rice, ITOCHU, and the Target Company.

Since then, the Company has aimed to stabilize the Target Company's business management foundations and strengthen the operational alliance and realize even greater enhancement of development and corporate value than previously by investing in the Target Company. To these ends, the Company acquired 1,378 shares of treasury stock (Shareholding Ratio: 8.41%) that the Target Company owned through a private placement by the Target Company and 104 shares of common stock (Shareholding Ratio: 0.63%) of the Target Company from shareholders through negotiated transactions in March 2012 and acquired 1,451 shares of treasury stock (Shareholding Ratio: 8.86%) that the Target Company owned through a private placement by the Target Company in February 2013. In this way, through acquisition in stages, the Company has advanced initiatives aimed at expanding, improving, and developing the business management foundations of both companies. The Company owns 4,573 shares (27.91% of the total number of issued shares of the Target Company as of March 31, 2013 (16,383 shares), stated in the security report for the 13th term filed by the Target Company on June 26, 2013; a Voting Share Ratio of 27.95% in relation to the number of voting rights (16,361 voting rights) as of March 31, 2013; and in each case the acquisition price was ¥50,000 per share.), and the Target Company has become an equity-method associated company of the Company.

However, the Target Company is facing challenging business conditions, and in order to respond to the declining goods-collection rates of systems in purchasing and sales the Target Company needs to build new purchasing channels, and it needs to secure sales volumes and earnings amid declining domestic demand for rice. Further, the Target Company faces a variety of tasks in the areas of production, distribution, and quality control, including building production systems that cater to the increased production of a large variety of products in small lots, building new logistics infrastructure in response to increasing distribution costs, and taking measures focused on food safety and reliability.

Amid such conditions, the Company and the Target Company have conducted repeated deliberations about a business management strategy of further strengthening the operational alliance, growing business even further, and establishing earnings foundations for the medium-to-long term. Increasingly challenging conditions, resulting from such factors as falling rice prices due to the abolition of Measures for Farm Management Stabilization (formerly the Individual Income Support Allowance System for Farmers), the abolition of acreage reduction, and TPP as well as changes in rice distribution due to the expansion of Internet sales are expected. Amid these expectations, the Company proposed an additional acquisition of shares to the Target Company around April 2013, with a view to furthering the capital alliance, redoubling efforts to increase operational collaboration and invigorate personnel exchanges with the Target Company, increasing the efficiency of both purchasing and sales, and enhancing competiveness within the industry. As a result of both companies proceeding with deliberations and analysis, it was decided that redoubled efforts by the Company and the Target Company to build robust systems for mutual cooperation in a wide range of areas, including purchasing, production, and sales, would help further enhance the corporate value of both companies. The companies concluded that the best way to realize these aims was to strengthen the capital alliance between them and heighten the Company's shareholding in the Target Company, and on December 25, 2013, the Company resolved to implement the Tender Offer with a view to acquiring further shares of the Target Company.

(i) Name of the third party that provided an opinion regarding the calculation

In determining Tender Offer Price, in order to ensure the fairness of the purchase price of the Tender Offer, the Company requested SMBC Nikko Securities, a third-party valuation institution independent of the Company and the Target Company, to calculate the share value of the Target Company's shares of common stock.

(ii) Summary of the opinion

From among several methods of calculating the share value, upon consideration of the method appropriate for calculating the share value of the Target Company's shares of common stock, based on the assumption that the Target Company is a going concern, SMBC Nikko Securities calculated the share value of the Target Company's shares of common stock by using the DCF method. The Company obtained a share valuation report relating to the result of calculating the share value of the Target Company's shares of common stock from SMBC Nikko Securities on December 24, 2013. Further, the Company has not obtained an opinion about the fairness of the Tender Offer Price (fairness opinion) from SMBC Nikko Securities. The range of the value per share of the common stock of the Target Company calculated by SMBC Nikko Securities using the above-mentioned method is as follows.

DCF method: ¥36,172–¥75,224

Using the DCF method, corporate value and share value were analyzed by discounting the free cash flows that the Target Company is expected to generate in future—which were based on examination of business plans related to the Target Company, business result trends until recently and forecasts of future earnings of the Target Company in the fiscal year ending in March 2014 and beyond—at a certain discount rate to give their present values. Based on this analysis, the range of the value per share of the common stock of the Target Company is from ¥36,172 to ¥75,224.

(iii) Process of determining the Tender Offer Price based on the opinion

With reference to the result of the calculation of the share value of the Target Company’s shares of common stock by SMBC Nikko Securities and in light of comprehensive consideration of such factors as the results of deliberations and negotiations with the Target Company, whether or not the Target Company’s Board of Directors concurred with the Tender Offer, and the expected number of applications for the Tender Offer, the Company ultimately decided on a Tender Offer Price of ¥52,000 on December 25, 2013.

(5) Number of Share Certificates, etc., to Be Purchased

Number to Be Purchased	Minimum Limit of Number to Be Purchased	Maximum Limit of Number to Be Purchased
3,441 shares	- shares	3,441 shares

Notes:

1. If the aggregate number of tendered share certificates, etc., does not exceed the maximum limit of the Number to Be Purchased (3,441 shares), the Company shall purchase all the tendered share certificates, etc. If the aggregate number of tendered share certificates, etc., exceeds the maximum limit of the Number to Be Purchased (3,441 shares), the Company shall not purchase any of the amount exceeding the limit and shall implement transfer of share certificates, etc., and other settlement procedures using the method of proportional distribution pursuant to Article 27-13-5 of the Act and Article 32 of the Cabinet Office Ordinance.

2. Through the Tender Offer, the Company does not plan to acquire the shares of treasury stock held by the Target Company.

3. Also, cross-held shares are subject to the Tender Offer.

(6) Changes in the Shareholding Ratio of Share Certificates, etc., as a Result of the Tender Offer

Number of voting rights represented by share certificates, etc., held by the Company before the Tender Offer	4,573 units	Shareholding Ratio of Share Certificates, etc., before the Tender Offer: 27.96%
Number of voting rights represented by share certificates, etc., held by specially related parties before the Tender Offer	148 units	Shareholding Ratio of Share Certificates, etc., before the Tender Offer: 0.90%
Number of voting rights represented by share certificates, etc., held by the Company after the Tender Offer	8,014 units	Shareholding Ratio of Share Certificates, etc., after the Tender Offer: 49.00%
Number of voting rights held by all shareholders of the Target Company	16,361 units	

Notes:

1. The "Number of voting rights represented by share certificates, etc., held by specially related parties before the Tender Offer" is the sum of voting rights represented by share certificates, etc., held by respective by specially related parties (However, those to be excluded from the category of specially related parties when calculating the shareholding ratio of share certificates, etc., as set forth in the respective items of Article 27-2-1 of the Act in accordance with Article 3-2-1 of Cabinet Office Ordinance are excluded.).

2. The "Number of voting rights held by all shareholders of the Target Company" is the number of voting rights of all of shareholders as of September 30, 2013, stated in the interim security report for the 14th term filed by the Target Company on December 24, 2013. However, according to the Target Company, the Target Company holds 18 shares of treasury stock. Therefore, the current number of voting rights is the number of voting rights (16,355 voting rights) represented by 16,383 shares, minus the Target Company's shares of treasury stock (18 shares) and cross-held shares (10 shares).

For the calculation of the "Shareholding Ratio of Share Certificates, etc., before the Tender Offer" and the "Shareholding Ratio of Share Certificates, etc., after the Tender Offer," the Company used 16,355 as a denominator.

3. Because cross-held shares are subject to the Tender Offer, if cross-held shares are tendered, the Company shall purchase all or a portion of cross-held shares tendered, and the number of voting rights shall increase in accordance with the number of share certificates, etc., purchased. In such a case, the

"Number of voting rights held by all shareholders of the Target Company" shall be a maximum of 16,365 voting rights—which is the number of voting rights represented by cross-held shares (10 voting rights) added to 16,355 voting rights—giving a maximum "Shareholding Ratio of Share Certificates, etc., after the Tender Offer" of 48.97%.

4. The "Shareholding Ratio of Share Certificates, etc., before the Tender Offer" and the "Shareholding Ratio of Share Certificates, etc., after the Tender Offer" have been rounded to two decimal places.

(7) Tender Offer Cost: ¥178,932,000

Note: The Tender Offer Cost is the Tender Offer Price (¥52,000) multiplied by the Number to Be Purchased (3,441 shares) in the Tender Offer.

(8) Method of Settlement

1) Name and Location of the Head Office of the Financial Instruments Business Operator, Bank or Other Institution in Charge of the Settlement of Purchases

SMBC Nikko Securities Inc.
3-3-1, Marunouchi, Chiyoda-ku, Tokyo, Japan

2) Settlement Commencement Date
March 3, 2014 (Monday)

3) Method of Settlement
A notice of purchase shall be mailed to the address of the applying shareholder (or the standing proxies in the case of non-Japanese shareholders, etc.) without delay after the end of the Tender Offer Period.

Purchases shall be made in cash, and the method of settlement shall be as follows. Proceeds from sale of the share certificates, etc., purchased shall be remitted without delay from the Settlement Commencement Date onward, in accordance with the instructions of Tendering Shareholders (or the standing proxies in the case of non-Japanese shareholders, etc.), from the Tender Offer Agents that received applications for the Tender Offer to the locations designated by Tendering Shareholders (or the standing proxies in the case of non-Japanese shareholders, etc.).

4) Method of Returning Share Certificates, etc., and Other Securities

If all of the tendered share certificates, etc., are not purchased by the Tender Offeror under the conditions stipulated in “2) Existence of Conditions for Withdrawal of the Tender Offer, Details of Any Such Conditions, and the Disclosure Method for Withdrawal” in “(9) Other Conditions and Methods of the Tender Offer” below, the Tender Offer Agents shall mail without delay from the date of withdrawal of the Tender Offer unpurchased share certificates, etc., that are required to be returned to Tendering Shareholders (or the standing proxies in the case of non-Japanese shareholders, etc.).

If all or a portion of the tendered share certificates, etc., are not purchased by the Tender Offeror under the conditions stipulated in “1) Existence of Conditions Stipulated in Article 27-13-4 of the Act and Details of Any Such Conditions” in “(9) Other Conditions and Methods of the Tender Offer” below, the unpurchased share certificates, etc., shall be delivered to the Target Company without delay from the Settlement Commencement Date onward in accordance with the instructions of Tendering Shareholders (or the standing proxies in the case of non-Japanese shareholders, etc.) from the Tender Offer Agents in order to reclassify share certificates, etc., tendered by respective Tendering Shareholders and return unpurchased share certificates, etc. Further, it is planned for share certificates delivered to the Target Company to be returned from the Target Company to Tendering Shareholders, etc., promptly after the reclassification of share certificates, etc., and other required administrative procedures are completed.

(9) Other Conditions and Methods of the Tender Offer

1) Existence of Conditions Stipulated in Article 27-13-4 of the Act and Details of Any Such Conditions

If the aggregate number of tendered share certificates, etc., does not exceed the maximum limit of the Number to Be Purchased (3,441 shares), the Company shall purchase all the tendered share certificates, etc. If the aggregate number of tendered share certificates, etc., exceeds the maximum limit of the Number to Be Purchased (3,441 shares), the Company shall not purchase any of the amount exceeding the limit and shall implement transfer of share certificates, etc., and other settlement procedures using the method of proportional distribution pursuant to Article 27-13-5 of the Act and Article 32 of the Cabinet Office Ordinance.

If the total number of shares purchased from Tendering Shareholders calculated by rounding the numbers of shares less than one share that result from calculation using the method of proportional distribution is less than the maximum limit of the Number to Be Purchased, until the maximum limit of the Number to Be Purchased is reached, starting in order from the Tendering Shareholders with the largest number of shares rounded down as a result of rounding, from each shareholder participating in the Tender Offer one share shall be purchased. However, if purchasing using this method from among each of a number of Tendering Shareholders that have an equal number of rounded-down shares results in the number of shares purchased exceeding the maximum limit of the Number to Be Purchased, to the extent the number is not less than the minimum limit of the Number to Be Purchased, the shareholders to be purchased from shall be determined by lottery from among the said Tendering Shareholders.

If the total number of shares purchased from Tendering Shareholders calculated by rounding the numbers of shares less than one share that result from calculation using the method of proportional distribution is more than the maximum limit of the Number to Be Purchased, until a number that is not below the maximum limit of the Number to Be Purchased is reached, starting in order from the Tendering Shareholders with the largest number of shares rounded up as a result of rounding, for each shareholder participating in the Tender Offer one share shall be deducted from the number of shares purchased. However, if deduction from the number of shares purchased using this method from among each of a number of Tendering Shareholders that have an equal number of rounded-up shares results in the number of shares purchased being below the maximum limit of the Number to Be Purchased, to the extent the number is not less than the maximum limit of the Number to Be Purchased, the shareholders subject to a deduction in the number of shares purchased shall be determined by lottery from among the said Tendering Shareholders.

2) Existence of Conditions for Withdrawal of the Tender Offer, Details of Any Such Conditions, and the Disclosure Method for Withdrawal
The Tender Offer may be withdrawn if any event occurs that is stipulated in Article 14-1, 1.A. through 1.H., 1.L. through 1.R., 3.A. through 3.G., and 3.J., as well as Article 14-2, 3 through 6, of the Cabinet Order for the Enforcement of the Financial Instruments and Exchange Act (Cabinet Office Ordinance No. 321 of 1965. Including subsequent revisions. The “Cabinet Order”). Further, with respect to the Tender Offer, instances stipulated by Article 14-1-3.J. of the Cabinet Order and corresponding to the instances given in Article 14-1-3.I. of the Cabinet Order refer to instances in which it becomes apparent that with regard to statutory disclosure documents filed in the past the Target Company has made false statements about significant matters or omitted inclusion of significant matters that should have been included.

If the Tender Offeror intends to withdraw the Tender Offer, it shall issue a public notice electronically and publish the fact that it has issued this notice in the *Nihon Keizai Shimbun*. However, if it is deemed difficult to issue a public notice on or prior to the last day of the Tender Offer Period, the Tender Offeror shall make a public announcement in the manner stipulated in Article 20 of the Cabinet Office Ordinance and issue a public notice immediately afterwards.

3) Existence of Conditions for Reduction of the Tender Offer Price, Details of Any Such Conditions, and the Disclosure Method for Reduction of the Tender Offer Price
Pursuant to Article 27-6-1-1 of the Act, if the Target Company undertakes any action stipulated in Article 13-1 of the Cabinet Order during the Tender Offer Period, the Tender Offeror may reduce the Tender Offer Price pursuant to the standard stipulated in Article 19-1 of the Cabinet Office Ordinance.

If the Tender Offeror intends to reduce the Tender Offer Price, it shall issue a public notice electronically and publish the fact that it has issued this notice in the *Nihon Keizai Shimbun*. However, if it is deemed difficult to issue a public notice on or prior to the last day of the Tender Offer Period, the Tender Offeror shall make a public announcement in the manner stipulated in Article 20 of the Cabinet Office Ordinance and issue a public notice immediately afterwards. If the purchase price for the Tender Offer is reduced, the Tender Offeror shall purchase all shares tendered on or before the date of the said public notice at the reduced price.

4) Matters Concerning the Rights of Cancellation of Agreement of Tendering Shareholders
The Tendering Shareholders may, at any time during the Tender Offer Period, cancel any agreement related to the Tender Offer.

Tendering Shareholders who wish to cancel the agreement for the Tender Offer must deliver or mail a document requesting the cancellation (the "Cancellation Document"), to the party stipulated below by 3:30 p.m. on the last day of the Tender Offer Period (However, respective offices' business hours or times for handling securities vary. In advance, please check the business hours, etc., of the office to be used for processing.). However, if the Document of Cancellation is mailed, it must reach the party stipulated below by 3:30 p.m. on the last day of the Tender Offer Period (However, respective offices' business hours or times for handling securities vary. In advance, please check the business hours, etc., of the office to be used for processing.).

The agent authorized to receive the Cancellation Document

SMBC Nikko Securities Inc.
3-3-1, Marunouchi, Chiyoda-ku, Tokyo, Japan

(Other domestic offices of SMBC Nikko Securities Inc.)

Further, the Company shall not claim from Tendering Shareholders any payment of damages or penalties that accompany the cancellation of the agreement.

5) Disclosure Method for Changes in the Conditions or Other Terms of the Tender Offer
During the Tender Offer Period, the Tender Offeror may change the conditions or other terms of the Tender Offer except in the prohibited instances stipulated in Article 27-6-1 of the Act and Article 13 of the Cabinet Order.

If the Tender Offeror intends to change the terms and conditions of the Tender Offer, it shall issue a public notice electronically and publish the fact that it has issued this notice in the *Nihon Keizai Shimbun*. However, if it is deemed difficult to issue a public notice on or prior to the last day of the Tender Offer Period, the Tender Offeror shall make a public announcement in the manner stipulated in Article 20 of the Cabinet Office Ordinance and issue a public notice immediately afterwards.

If the Tender Offeror changes the conditions or other terms of the Tender Offer, the Tender Offeror shall purchase share certificates, etc., tendered on or before the date of the said public notice in accordance with the conditions or other terms of the Tender Offer following the change.

6) Disclosure Method If an Amendment Statement Is Filed
If the Company files an amendment statement to the Director of the Kanto Finance Bureau, the Company shall immediately make a public announcement about the amendments relevant to the Tender Offer in the manner stipulated in Article 20 of the Cabinet Office Ordinance. Further, the Tender Offeror shall amend the Tender Offer Explanatory Statement immediately and send it to the Tendering Shareholders that have already been sent a Tender Offer Explanatory Statement. However, if the scope of the amendments is minimal, the Tender Offeror shall make amendments by preparing a document that explains the reasons for the amendments, lists the amended items, and provides details of these amended items and delivering the document to Tendering Shareholders.

7) Disclosure Method for the Results of the Tender Offer
The Tender Offeror shall publicly announce the results of the Tender Offer in the manner stipulated in Article 9-4 of the Cabinet Order and Article 30-2 of the Cabinet Office Ordinance on the day following the last day of the Tender Offer Period.

8) Other
The Tender Offer shall not, directly or indirectly, be conducted in or targeted at the

United States. Moreover, the U.S. postal mail service or any other method or means of interstate commerce or international commerce (including, without limitation, telephone, telex, facsimile, e-mail and Internet communication) shall not be used to conduct the Tender Offer, and the Tender Offer shall not be conducted through any U.S. stock exchange facility. In addition, no application for this Tender Offer shall be made by any of the above-mentioned methods or means, through the above-mentioned facilities, or from the United States.

Further, the Tender Offer Explanatory Statement concerning the Tender Offer, or the related tender documents, shall not be sent or distributed to, in or from the United States by mail or any other method. Any application for the Tender Offer in violation of any of the above-mentioned restrictions, either directly or indirectly, shall not be accepted.

At the time of application for the Tender Offer, respective shareholders (or the standing proxies in the case of non-Japanese shareholders, etc.) are required to provide representations and warranties that state the following.

The Tendering Shareholders are not located or do not reside in the United States, at the time of applying for the Tender Offer and at the time of the sending of the Application Form for the Tender Offer. The Tendering Shareholders are not, directly or indirectly, receiving or sending out any information related to the Tender Offer to, in or from the United States. The Tendering Shareholders have not used and shall not use, directly or indirectly, in connection with the signature and submission of the Application Form for the Tender Offer, U.S. postal mail service or any other method or means of interstate commerce or international commerce (including, without limitation, telephone, telex, facsimile, e-mail and Internet communication) or any U.S. stock exchange facility. The Tendering Shareholders are not acting as proxy for any other person without investment discretion or acting as trustee or fiduciary of any other person (not including those who are giving instructions on the tendering of shares from outside the United States).

(10) Date of Public Notice of the Commencement of the Tender Offer
December 26, 2013 (Thursday)

(11) Tender Offer Agent
SMBC Nikko Securities Inc.
3-3-1, Marunouchi, Chiyoda-ku, Tokyo, Japan

3. Policies after the Tender Offer

With respect to Policies after the Tender Offer, please refer to “(2) Background of and Reasons for the Tender Offer as well as Management Policies after the Tender Offer” in “1. Purpose, etc., of the Tender Offer” above.