

Notice of Transfer of Shares in Garden Bakery, Inc.

Tokyo, March 6, 2018 — Calbee, Inc. (hereafter “Calbee”) has signed an agreement with Showa Sangyo Co., Ltd. (hereafter “Showa Sangyo”) to transfer 66.6% of issued shares of Calbee subsidiary Garden Bakery, Inc. (hereafter “Garden Bakery”) to Showa Sangyo.

1. Reason for share transfer

Garden Bakery was established in June 1996 as a 100% subsidiary of Calbee with the purpose of producing and selling breads and snack foods, and currently produces and sells pastries and filled and stuffed breads, etc., to convenience stores.

Showa Sangyo has an integrated structure that engages in a range of operations from raw material procurement to product development to factory management, and by transferring 66.6% of shares in Garden Bakery to Showa Sangyo, we aim to further heighten Garden Bakery’s product development capability and improve productivity by strengthening the business of both Showa Sangyo and Calbee.

2. Method and date of share transfer

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| (1) Method of transfer | Calbee will transfer 1,332 shares (66.6% of issued shares) of Garden Bakery (currently 100% owned by Calbee) to Showa Sangyo |
| (2) Date of transfer
(Scheduled) | April 2, 2018 |

3. Outline of Garden Bakery

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| (1) Name | Garden Bakery, Inc. |
| (2) Location | Akishima City, Tokyo, Japan |
| (3) Representative | Haruhiko Sekiguchi, Representative Director and President |
| (4) Business | Production and sale of breads and snack foods |
| (5) Capital | 100 million yen |
| (6) Date of establishment | June 19, 1996 |
| (7) Affiliated companies | Tower Bakery, Inc.
Star Bakery, Inc. |

4. Outline of recipient of transferred shares

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| (1) Name | Showa Sangyo Co., Ltd. |
| (2) Location | Chiyoda-ku, Tokyo, Japan |
| (3) Representative | Kazuhiko Niitsuma, Representative Director and President |
| (4) Business | Production and sale of flour, vegetable oils, corn sweeteners, secondary processed foods, etc. |
| (5) Capital | 12,778 million yen |
| (6) Date of establishment | February 18, 1936 |

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