

April 27, 2009

Company Name: JAPAN TOBACCO INC.  
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Stock Code: 2914  
(Stock Exchanges: Tokyo/Osaka/Nagoya First Section; Fukuoka and Sapporo)  
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### **JT Announces Katokichi's Commencement of Tender Offer Bid for Shares of Green Foods**

Japan Tobacco Inc. (JT) announced today that its consolidated subsidiary, Katokichi Co., Ltd. ("Katokichi" or the "Bidder"), resolved at a meeting of its Board of Directors, held on April 27, 2009, to make Green Foods Co., Ltd. (JASDAQ, Stock Code: 3367; "Green Foods" or the "Target Company"), which is also a consolidated subsidiary of JT, a wholly owned subsidiary of Katokichi by acquiring the shares of common stock of Green Foods through a tender offer bid and other means ("Shares" in this document mean the rights that should be represented by share certificates or in other forms).

The Board of Directors of Green Foods made a resolution to approve the tender offer bid at its meeting held today.

#### 1. Purpose of purchase, etc.

##### (1) Outline of this tender offer bid

The Bidder is the largest shareholder of the Target Company, which is a consolidated subsidiary of the Bidder, as of the day when this document is submitted, holding 32,760 shares of common stock of the Target Company (accounting for 55.19% of the total number of issued shares (rounded off to two decimal places)). The Bidder decided to implement a tender offer bid (the "TOB") to acquire all issued shares of the Target Company (provided, however, that shares of the Target Company held by the Bidder are excluded), aimed at turning the Target Company into a wholly owned subsidiary.

The TOB has the condition (minimum limit of the number of shares planned to be purchased) that if the total number of Shares tendered for the TOB is less than 6,814 (accounting for 11.48% of the total number of issued shares (rounded off to two decimal places)), the purchase will not be implemented. If the total number of Shares tendered for the TOB is less than the minimum limit of the number of Shares planned to be purchased, none of the tendered shares will be purchased. On the other hand, no maximum limit is set to the number of Shares planned to be purchased. If the total number of Shares tendered for the TOB equals or exceeds the minimum limit of the number of Shares planned to be purchased, all of the tendered Shares will be purchased.

According to the Target Company, the Board of Directors of the Target Company resolved at a meeting held on April 27, 2009, to express approval for the TOB and recommend shareholders of the Target Company to tender their shares for the TOB, with unanimous support by all three subject Directors who had taken part in deliberations and the resolution.

(2) Process of making decision on the implementation of the TOB

The Bidder and its Group consist of 41 subsidiaries (including 13 indirectly owned companies) and 38 affiliates (including 12 indirectly owned companies), with manufacturing and sales of processed foods, such as frozen foods, and processed marine products as their principal businesses.

The Target Company is a consolidated subsidiary of the Bidder, engaged in processing and sales of foods in Japan, mainly handling conger eel products and hen egg products. It also handles eel products and other processed marine products, including mackerel, ark shells, squids and salmon.

The Target Company was established in June 1986, aimed at processing, wholesale and retail of conger eels and eels. The Bidder became the largest shareholder of the Target Company in April 2003 by acquiring shares of the Target Company, making the Target Company its consolidated subsidiary. In April 2005, the Target Company listed its stock on JASDAQ Securities Exchange, Inc. (the "Jasdaq Securities Exchange").

As announced in separate releases (in Japanese only), "Katokichi Announces Commencement of Examination Regarding Integration of Its Marine Products Business," released on April 21, 2008, and "Katokichi Announces Details of Integration of Its Marine Products Business," released on September 22, 2008, the Bidder planned to integrate the businesses such as the processed marine products business operated by the Bidder and all the businesses operated by Kawaman Suisan Co., Ltd. ("Kawaman"), which is a consolidated subsidiary of the Bidder, into the Target Company, which is also a consolidated subsidiary of the Bidder and engages in the businesses such as the processed marine products business. Specifically, with regard to the processed marine products business of the Bidder, the Bidder planned to first transfer the business to Ocean Rose Co., Ltd. ("Ocean Rose"), which was newly established by the Bidder, and then transfer all shares of Ocean Rose to the Target Company. As for all the businesses operated by Kawaman, the Bidder planned to transfer all the shares of Kawaman held respectively by the Bidder and Katokichi Suisan Co., Ltd. to the Target Company as of January 1, 2009. Through these steps, the Bidder planned to integrate its marine products business (the "Integration"), and has been making preparations to that end, including the establishment of various infrastructures such as the key computer system. The Bidder expected the Integration to generate synergies, including the expansion of the sales base by making the most of products and sales networks of the Bidder, the Target Company and Kawaman through handling of shrimps, which are handled by the Bidder, and octopi, in which Kawaman boasts one of the largest handling volumes in Japan, in addition to conger eels, handled by the Target Company, and the differentiation from competitors as a result of handling of abundant products. However, as announced in a separate release of the Target Company (in Japanese only), "Green Foods Announces Rescheduling Regarding Changes in Subsidiaries (Acquisition)," released on December 26, 2008, pursuant to the timely disclosure rules, the transfer of shares for the Integration has been put off temporarily, since preparations were not completed, including the establishment of various infrastructures such as the key computer system. Also, the income status of these subsidiaries engaged in the marine products business is rapidly worsening compared with the initial forecasts mainly due to the quick economic slowdown of late, which has become one of major causes affecting the progress in the integration of the said business.

The Target Company, which is the core of the integration of the marine products business, is projected to post a consolidated net loss of ¥7,793 million for the full fiscal year ended March 31, 2009. Against this backdrop, it is a pressing need to review and strengthen the business system at the marine products business subsidiaries of the Bidder.

Under such circumstances, the Bidder judged that to reinforce the business base of the marine products business of its Group at early stages and maximize the effects of the integration of the marine products business, it is extremely important to make the Target Company its wholly

owned subsidiary and drastically strengthen the marine products business, not merely aiming to obtain short-term profits. Based on this judgment, the Bidder will establish a system to quickly carry out flexible and speedy measures by allocating management resources from medium- and long-term standpoints and raising management speed.

According to the circumstances mentioned above, the Bidder proposed the implementation of the TOB, aimed at turning the Target Company into its wholly owned subsidiary, to the Target Company. After careful discussions repeated at both the Bidder and the Target Company, the Bidder decided to implement the TOB, after the Target Company supported this policy of the Bidder.

After the Target Company is made a wholly owned subsidiary through the TOB, the Bidder will realize the integration of the marine products businesses of its Group, operated by its subsidiaries, as soon as preparations are completed, possibly by October 1, 2009, and strive to further strengthen the business base by carrying out drastic measures, including a review of the business system.

(3) Measures to secure fairness of the TOB Price and measures to avoid conflicts of interest

The Target Company is a consolidated subsidiary of the Bidder as of the day when this document is submitted. Relationships between the Bidder and the Target Company in personnel affairs and business operations have been ongoing and will continue. Taking these facts into account, the Bidder and the Target Company have respectively taken the following measures to secure fairness of the valuation of price of purchase, etc. of the shares of the Target Company in the TOB (the “TOB Price”) and avoid conflicts of interest therein.

- 1) Acquisition of a share valuation report from an independent third-party valuation institution  
To secure the fairness of the TOB Price, the Bidder referred to a share valuation report (the “Valuation Report”; valuation record date: April 24, 2009) submitted on April 24, 2009 by Masters Trust Inc. (“Masters Trust”), a third-party valuation institution independent of the Bidder and the Target Company, when it decided the TOB Price. Masters Trust determined the TOB price by using the market stock price average method and the discounted cash flow method (“DCF method”). The per-share values of the shares of the Target Company, calculated using each method mentioned above, is as follows:

- (a) Market stock price average method: ¥29,375 – ¥38,900

With the market stock price average method, the per-share value of the shares of the Target Company was calculated to be ¥29,375 – ¥38,900 based on the average of closing prices of the shares of the Target Company on the Jasdq Securities Exchange for the past six months, that for the past three months and that for the past one month, with April 24, 2009 as the record date, and the closing price on the valuation record date.

- (b) DCF method: ¥34,707 – ¥42,443

The DCF method is a method to calculate the business value and share value of the Target Company by discounting future free cash flows to be produced by the Target Company by a certain discount rate, including capital cost of the Target Company, to give their present values, on the premise of earnings in the business plans of the Target Company, investment plans, etc. Using this method, the per-share value of the shares of the Target Company was calculated to be ¥34,707 – ¥42,443.

Based on the details and results of each method written in the Valuation Report, the Bidder judged that the market stock price average method does not properly reflect the share value of the Target Company, since the stock price of the Target Company significantly fluctuated daily, as indicated in its latest changes: it plunged from the ¥30,000 range to ¥7,110 from early March 2009 to March 21, 2009 and then soared to ¥47,300 on April 16, 2009. Attaching importance to the DCF method, the Bidder comprehensively took into account the track records of premiums added to the average values of market stock prices

over a certain period in the past TOB cases, acceptance or rejection of approval for the TOB by the Board of Directors of the Target Company, overall prospects for the TOB, and other factors, and gave consideration to the results of discussions and negotiations with the Target Company. Consequently, at a meeting of its Board of Directors, held on April 27, 2009, the Bidder decided that the TOB Price would be ¥35,000.

The TOB Price was obtained by adding a premium of 19.05% ((rounded to two decimal places; the same applies in this paragraph) to ¥29,400 (figures below the decimal point omitted; the same applies in this paragraph), the average closing price of the shares of the Target Company on the Jasdak Securities Exchange for the past six months up to April 24, 2009; a premium of 19.15% to ¥29,374, the average closing price for the past three months; and a premium of 8.45% to ¥32,274, the average closing price for the past one month. It is 10.03% lower than ¥38,900, the closing price on April 24, 2009.

2) Decision making at the Board of Directors of the Target Company and acquisition of a share valuation report

Meanwhile, according to the Target Company, in light of the fact that the parent of the Target Company is the Bidder in the TOB, among the Directors of the Target Company, Takayuki Fujii, who is managing executive officer of the Bidder, and Mikio Tauchi and Isao Kishigami, who are employees of the Bidder, did not take part in the deliberations and resolution concerning various terms and conditions of the TOB, mentioned above, at the meeting of the Board of Directors of the Target Company from the standpoint of avoiding conflicts of interest. Neither did they take part in discussions and negotiations with the Bidder in the position of the Target Company.

Separately from the Bidder, the Target Company decided to ask Iwata Certified Public Accountant Office (“Iwata Office”), a third-party institution that is independent of the Bidder and the Target Company and does not fall under a related party of the Target Company, to value the shares of the Target Company, and acquire a share valuation report from Iwata Office to use the report as basic materials for judging the fairness of the TOB Price presented by the Bidder. Iwata Office calculated the per-share value of the shares of the Target Company to be ¥29,323 to ¥49,781 by comprehensively assessing the results of valuation worked out using the market stock price average method, the DCF method and the comparable listed company comparison method.

We are informed that the Board of Directors of the Target Company cautiously looked into the share valuation report, obtained from Iwata Office, and carefully discussed and examined the issue, with the three Directors who concurrently serve as Director or employee of the Bidder voluntarily refraining from taking part in deliberations and resolution, as mentioned above, while giving consideration to the quorum for the passage of the resolution. Then, judging that various terms and conditions of the TOB are appropriate and that the TOB provides the shareholders of the Target Company with opportunities to sell the shares of the Target Company at a rational price, all the three subject Directors who had taken part in deliberations and resolution unanimously resolved to express an opinion of approval for the TOB and an opinion to recommend the shareholders of the Target Company to tender their shares for the TOB, according to the Target Company. We are also informed that all Corporate Auditors of the Target Company, including outside Corporate Auditors, gave views to the purport that they had no objection to the expression of an opinion of approval for the TOB by the Board of Directors of the Target Company.

3) Advice from a law office

The Board of Directors of the Target Company obtained legal advice on details such as the method and processes of decision making by the Board of Directors, including various procedures for the TOB, from Kita General Law Office, a legal advisor to the Target Company. Based on such advice, the Board of Directors of the Target Company carefully examined if approval for the TOB would help increase the corporate value of the Target

Company.

4) Period of purchase, etc. set relatively long

The Bidder set the period of purchase, etc. in the TOB (the “TOB Period”) as 30 business days, which is relatively long, to ensure for the shareholders of the Target Company, opportunities to properly decide whether to tender their shares for the TOB, and for other purchasers, opportunities to purchase the Shares, thus securing the fairness of the TOB Price.

(4) Policy on organizational restructuring, etc. after the TOB (matters related to the so-called two-step acquisition)

The Bidder has not set the maximum limit of the number of Shares to be purchased in the TOB. If the total number of Shares tendered for the TOB equals or exceeds the minimum limit of the number of Shares planned to be purchased, all of the tendered Shares will be purchased. If the Bidder fails to acquire all the issued shares of the Target Company through the TOB, it plans to take necessary procedures after the TOB, as follows, so that it will hold all shares of the Target Company (the “Turning of the Target Company into a Wholly Owned Subsidiary”), while offering opportunities for the remaining shareholders of the Target Company other than the Bidder to sell shares of the Target Company to shareholders of the Target Company, excluding the Bidder.

Specifically, after the TOB completes, the Bidder plans to quickly request the Target Company to hold an extraordinary general meeting of shareholders (the “Extraordinary General Meeting of Shareholders”) to discuss the proposals, including the following three proposals: 1) to amend part of the Articles of Incorporation of the Target Company to make the Target Company a company with class shares (*shurui kabushiki hakkou kaisha*) as set forth in the Companies Act (Act No. 86 of 2005, as amended); 2) to amend part of the Articles of Incorporation to attach a class-wide call provision (*zenbu-shutoku-joko*) (as set forth in Article 108, paragraph (1), item (vii) of the Companies Act) to all shares of common stock issued by the Target Company; and 3) grant different-class shares of the Target Company in exchange for all the shares of the Target Company. In the implementation of such procedures, if Proposal 1) is approved at the Extraordinary General Meeting of Shareholders, the Target Company will become a company with class shares as set forth in the Companies Act. With regard to Proposal 2), pursuant to Article 111, paragraph (2), item (i) of the Companies Act, in addition to the resolution by the Extraordinary General Meeting of Shareholders, a resolution by a general meeting of class shareholders attended by the shareholders holding shares of common stock of the Target Company to be attached with a class-wide call provision (the “General Meeting of Class Shareholders”) is required. To this end, the Bidder intends to request that the Target Company hold the General Meeting of Class Shareholders on the same day as the Extraordinary General Meeting of Shareholders. The Bidder plans to approve each of the above proposals at the Extraordinary General Meeting of Shareholders and the General Meeting of Class Shareholders.

If the above proposals are approved at the Extraordinary General Meeting of Shareholders and the General Meeting of Class Shareholders of the Target Company, a class-wide call provision shall be attached to all shares of common stock issued by the Target Company, all of which shall be acquired by the Target Company, and the shareholders of the Target Company shall be delivered different-class shares issued by the Target Company in compensation for the said acquisition. If the number of different class shares to be delivered for certain shareholder is less than one unit, such shareholder shall receive money equivalent to what will be obtained by selling the total number of such less-than-one-unit shares (fractions of a total of such less-than-one-unit shares shall be truncated) pursuant to the procedure stipulated in laws and regulations. The calculation of the amount of money to be delivered to shareholders as a result of sale of the total of less-than-one-unit shares shall be based on the same price as the TOB Price, unless special circumstances occur. However, the amount may differ from the TOB Price, since there is difference in the time of calculation.

The number of shares of the Target Company to be newly granted in compensation for the acquisition of shares of common stock with a class-wide call provision of the Target Company is yet to be decided as of today. However, the Bidder plans to request the Target Company to decide that the number of shares of the Target Company that should be delivered to shareholders of the Target Company other than the Bidder would be less than one unit, so that the Turning of the Target Company into a Wholly Owned Subsidiary will be carried out. An application is not planned to be filed for the listing of different-class shares of the Target Company, which will be granted in compensation for the acquisition of shares of the Target Company.

There are provisions in the Companies Act to protect minority shareholders' rights related to the above procedures 1) through 3), according to which, (a) with regard to amendments to be made relevant to the above Proposal 2) to the Articles of Incorporation of the Target Company, the shareholders of the Target Company shall be able to request that the Target Company purchase the shares they hold pursuant to Articles 116 and 117 of the Companies Act and other relevant laws and regulations, and (b) if Proposal 3) is approved by a resolution of the general meeting of shareholders of the Target Company, the shareholders of the Target Company may file request for determination of the price for the acquisition of the shares pursuant to Article 172 of the Companies Act and other relevant laws and regulations. Because the final decision on the per-share purchase and acquisition prices for shares held by minority shareholders according to (a) or (b) shall be made by the court, the purchase price or acquisition price may differ from the TOB Price. With regard to the necessary procedures shareholders should take for making the aforementioned requests or petitions, we ask that each shareholder take responsibility and use his or her own judgment.

Depending on the status of interpretation of relevant laws and regulations by the authorities and that of ownership ratio of shares, etc. of the Bidder after the TOB and ownership ratio of shares of the Target Company of shareholders of the Target Company other than the Bidder, there may be some changes in the implementation methods of Turning the Target Company into a Wholly Owned Subsidiary through the above procedures 1) through 3). However, even if changes are made in the implementation methods of Turning the Target Company into a Wholly Owned Subsidiary, the Bidder plans to request the Target Company to adopt a method to finally deliver money to its shareholders other than the Bidder in accordance with procedures pursuant to applicable laws and regulations. The amount of the money in these cases is also planned to be calculated using the same criteria used in calculating the TOB Price, unless special circumstances occur. However, the amount may differ from the TOB Price.

Specific procedures in the above cases are yet to be decided at present. We will discuss the matter with the Target Company and release the results as soon as a decision is made.

All these matters are explained to clarify our schedule after completion of the TOB and not intended to solicit each shareholder of the Target Company to exercise an affirmative vote at the Extraordinary General Meeting of Shareholders and the General Meeting of Class Shareholders of the Target Company. In addition, concerning tax handling in each aforementioned procedure, we ask that each shareholder consult tax specialists according to each shareholder's need.

(5) Likelihood of delisting

The shares of the Target Company are currently listed on the Jasdak Securities Exchange. However, the Bidder has not set the maximum limit of the number of Shares to be purchased in the TOB and will purchase all of tendered Shares. Depending on the result of the TOB, there is a possibility that the shares of the Target Company might be delisted in accordance with prescribed procedures, if the shares of the Target Company fall under the criteria for delisting of stock specified in the Securities Listing Regulations of the Jasdak Securities Exchange (the "Delisting Criteria"). Even if the result of the TOB does not conflict with the Delisting Criteria, the Bidder plans the Turning the Target Company into a Wholly Owned Subsidiary, as

explained in “(4) Policy on organizational restructuring, etc. after the TOB (matters related to the so-called two-step acquisition),” mentioned above. In that case, the shares of the Target Company will likely be delisted. Once delisted, the shares of the Target Company cannot be traded on the Nasdaq Securities Exchange.

(6) Ideas about delisting

As described above, the shares of the Target Company could be delisted, but the TOB and the Turning of the Target Company into a Wholly Owned Subsidiary are not aimed at delisting the shares of the Target Company.

The income status of the Bidder’s subsidiaries engaged in the processed marine products business is quickly worsening compared with the initial forecasts mainly due to the rapid business slowdown of late and quick measures are urged to be taken to cope with the situation. Under such circumstances, the Bidder judged that to reinforce the business base of the marine products business of its Group at early stages and maximize the effects of the integration of the marine products business, it is extremely important to make the Target Company its wholly owned subsidiary and drastically strengthen the marine products business, not merely aiming to obtain short-term profits. The shares of the Target Company will be delisted as a result of the TOB and the Turning of the Target Company into a Wholly Owned Subsidiary, which will be implemented based on this judgment with a view to establishing a system to quickly carry out flexible and speedy measures by allocating management resources from medium- and long-term standpoints and raising management speed.

In order to protect the interests of minority shareholders of the Target Company, the Bidder intends to make the Target Company a wholly owned subsidiary in accordance with the method described in “(4) Policy on organizational restructuring, etc. after the TOB” (matters related to the so-called “two-step acquisition),” mentioned above, while providing shareholders of the Target Company, other than the Bidder, with opportunities to sell the shares of the Target Company. The calculation of the amount of money to be delivered to shareholders other than the Bidder in the process of the Turning of the Target Company into a Wholly Owned Subsidiary shall be based on the TOB Price, unless special circumstances occur.

2. Outline of purchase, etc.

(1) Profile of the Target Company

1. Trading Name	Green Foods Co., Ltd.	
2. Principal Business	Processing and sales of foods	
3. Date of Establishment	June 21, 1986	
4. Location of Head Office	1-6-9 Bakuro-machi, Chuo-ku, Osaka-shi, Osaka	
5. Title and Name of Representative	Gintetsu Fukuda, President and Representative Director	
6. Stated Capital	¥627,500,000 yen (as of December 31, 2008)	
7. Major Shareholders and Respective Shareholding Ratios (As of September 30, 2008)	Katokichi Co., Ltd.	55.19%
	Kotobuki Shoji Co., Ltd.	5.05%
	Yoshikazu Kato	4.72%
	Gintetsu Fukuda	2.70%
	Yoshinori Fujiki	2.70%
	Toshimitsu Noto	1.87%
	Kiyohisa Nishijima	1.74%
	Akihiko Ota	1.20%
Norie Kitamura	0.96%	
Michiharu Kawabata	0.89%	
8. Relationship between the Bidder and the Target Company (As of April 27, 2009)	Capital Relationship	The Bidder holds 55.19% of the total number of issued shares of the Target Company.
	Personnel Relationship	Three employees of the Bidder serve as Director of the Target Company.
	Business Relationship	Purchase and sales of products
	Related Party Relationship	The Bidder is the parent company of the Target Company, and falls under the category of related parties.

Note 1: Shareholding ratios are rounded off to two decimal places.

(2) Period of purchase, etc.

- 1) Original period when the details of the TOB were notified  
From Thursday, May 7, 2009 to Wednesday, June 17, 2009 (30 business days)
- 2) Possibility of prolongation of the period of purchase, etc.  
Not applicable.

(3) Price of purchase, etc.

Shares of common stock      ¥35,000 per share

(4) Basis of the calculation of the price of purchase, etc.

1) Basis of the calculation

When deciding the purchase price in the TOB (the “TOB Price”), the Bidder appointed Masters Trust Inc. (“Masters Trust”), a third-party valuation institution independent of the Bidder and the Target Company, as a price assessor, and obtained a share valuation report (the “Valuation Report”) from Masters Trust as of April 24, 2009. Masters Trust appraised the TOB price by using the market stock price average method and the discounted cash flow method (“DCF method”). The per-share value of the shares of the Target Company, calculated using each method mentioned above, is as follows:

- (a) Market stock price average method: ¥29,375 – ¥38,900

With the market stock price average method, the per-share value of the shares of the Target Company was calculated to be ¥29,375 – ¥38,900 based on the average of closing prices of the shares of the Target Company on the Jasdaq Securities



Exchange, Inc. (the “Jasdaq Securities Exchange”) for the past six months, that for the past three months and that for the past one month, with April 24, 2009 as the record date, and the closing price on the valuation record date.

(b) DCF Method: ¥34,707 – ¥42,443

The DCF Method is a method to calculate the business value and share value of the Target Company by discounting future free cash flows to be produced by the Target Company by a certain discount rate, including capital cost of the Target Company, to give their present values, on the premise of earnings in the business plans of the Target Company, investment plans, etc. Using this method, the per-share value of the shares of the Target Company was calculated to be ¥34,707 – ¥42,443.

Based on the details and results of each method written in the Valuation Report, the Bidder judged that the market stock price average method does not properly reflect the stock value of the Target Company, since the stock price of the Target Company significantly fluctuated daily, as indicated in its latest changes: it plunged from the ¥30,000 range to ¥7,110 from early March 2009 to March 21, 2009 and then soared to ¥47,300 on April 16, 2009. Attaching importance to the DCF method, the Bidder comprehensively took into account the track records of premiums added to the average values of market stock prices over a certain period in the past TOB cases, acceptance or rejection of approval for the TOB by the Board of Directors of the Target Company, overall prospects for the TOB, and other factors, and gave consideration to the results of discussions and negotiations with the Target Company. Consequently, at a meeting of its Board of Directors, held on April 27, 2009, the Bidder decided that the TOB Price would be ¥35,000.

The TOB Price of ¥35,000 was obtained by adding a premium of 19.05% (rounded to two decimal places; the same applies in this paragraph) to ¥29,400 (figures below the decimal point are omitted; the same applies in this paragraph), the average closing price of shares of the Target Company on the Jasdaq Securities Exchange for the past six months up to April 24, 2009; a premium of 19.15% to ¥29,374, the average closing price for the past three months; and a premium of 8.45% to ¥32,274, the average closing price for the past one month. It is 10.03% lower than ¥38,900, the closing price on April 24, 2009.

2) Background of the calculation

The Bidder started examining the integration of the marine products business of the Bidder and its Group around January 2008. The Bidder judged that to reinforce the business base of the marine products business of its Group at early stages and maximize the effects of the integration of the marine products business, it is extremely important to make the Target Company its wholly owned subsidiary and drastically strengthen the marine products business, not merely aiming to obtain short-term profits. Based on this judgment, the Bidder began examining the TOB around March 2009, with a view to establishing a system to quickly carry out flexible and speedy measures by allocating management resources from medium- and long-term standpoints and raising management speed. It decided the TOB Price through the process below.

(i) Acquisition of a share valuation report from an independent third-party valuation institution

To start valuation of the shares of the Target Company, the Bidder requested Masters Trust, its financial advisor, to value the shares of the Target Company. The Bidder acquired a share valuation report concerning the value of the shares of the Target Company from Masters Trust as of April 24, 2009, to use it as reference information in deciding the TOB Price.

(ii) Outline of share valuation report

Masters Trust used the market stock price average method and the DCF method to value the shares of the Target Company. The valuation result is as follows.

Market stock price average method: ¥29,375 – ¥38,900

DCF Method: ¥34,707 – ¥42,443

(iii) Background of decision on the TOB Price

Based on the comparison of results of each method written in the Valuation Report of Masters Trust for deciding the TOB Price, the Bidder judged that the market stock price average method does not properly reflect the stock value of the Target Company, since the stock price of the Target Company significantly fluctuated daily, as indicated in its latest changes: it plunged from the ¥30,000 range to ¥7,110 from early March 2009 to March 21, 2009 and then soared to ¥47,300 on April 16, 2009. Accordingly, the Bidder attached importance to the DCF method in processing the examination of the TOB Price. In addition, the Bidder had discussions and negotiations with the Target Company, and comprehensively took into account acceptance or rejection of approval for the TOB by the Target Company, overall prospects for the TOB, and other factors. Consequently, at a meeting of its Board of Directors, held on April 27, 2009, the Bidder finally decided that the TOB Price would be ¥35,000 per share.

(iv) Other measures to secure fairness of the valuation of the TOB Price and avoid conflicts of interest

Meanwhile, according to the Target Company, in light of the fact that the parent of the Target Company is the Bidder in the TOB, among the Directors of the Target Company, Takayuki Fujii, who is managing executive officer of the Bidder, and Mikio Tauchi and Isao Kishigami, who are employees of the Bidder, did not take part in the deliberations and resolution concerning various terms and conditions of the aforementioned TOB, mentioned above, at the meeting of the Board of Directors of the Target Company from the standpoint of avoiding conflicts of interest. Neither did they take part in discussions and negotiations with the Bidder in the position of the Target Company

Separately from the Bidder, the Target Company decided to ask Iwata Certified Public Accountant Office (“Iwata Office”), a third-party institution that is independent of the Bidder and the Target Company and does not fall under a related party of the Target Company, to value the shares of the Target Company, and acquire a share valuation report from Iwata Office to use the report as basic materials for judging the fairness of the TOB Price presented by the Bidder. Iwata Office calculated the per-share value of the shares of the Target Company to be ¥29,323 to ¥49,781 by comprehensively assessing the results of valuation worked out using the market stock price average method, the DCF method and the comparable listed company comparison method.

We are informed that the Board of Directors of the Target Company cautiously looked into the share valuation report, obtained from Iwata Office, and carefully discussed and examined the issue, with the three Directors who concurrently serve as Director or employee of the Bidder voluntarily refraining from taking part in deliberations and resolution, as mentioned above, while giving consideration to the quorum for the passage of the resolution. Then, judging that various terms and conditions of the TOB are appropriate and that the TOB provides the shareholders of the Target Company with opportunities to sell the shares of the Target Company at a rational price, all the three subject Directors who had taken part in deliberations and resolution unanimously resolved to express an opinion of approval for the TOB and an opinion to recommend the shareholders of the Target Company to tender their shares for the TOB, according to the Target Company. We are also informed that all Corporate Auditors of the Target Company, including outside Corporate Auditors, gave views to the purport that they had no objection to the expression of an opinion of approval for the TOB by the Board of Directors of the Target Company.

(v) Advice from a law office

The Board of Directors of the Target Company obtained legal advice on factors such as

the method and processes of decision making by the Board of Directors, including various procedures for the TOB, from Kita General Law Office, a legal advisor to the Target Company. Based on such advice, the Board of Directors of the Target Company carefully examined if approval for the TOB would help increase the corporate value of the Target Company.

(vi) Period of purchase, etc. set comparatively long

The Bidder set the period of purchase, etc. in the TOB as 30 business days, which is relatively long, to provide the shareholders of the Target Company with opportunities to properly decide whether to tender their shares for the TOB, and provide others with tendering opportunities, thus ensuring the fairness of the TOB Price.

(5) Number of Shares planned to be purchased

Number planned to be purchased	Minimum limit of number planned to be purchased	Maximum limit of number planned to be purchased
26,600 (shares)	6,814 (shares)	— (shares)

Notes:

1. If the total number of tendered Shares is less than the figure written in “Minimum limit of number planned to be purchased” (6,814 shares), none of the tendered Shares shall be purchased nor treated in other forms. If the total number of tendered Shares equals or exceeds the minimum limit of number planned to be purchased, the Bidder shall purchase and treat in other forms all the tendered Shares.
2. The maximum number of Shares that the Bidder will acquire through the TOB will be 26,600, which is obtained by subtracting the number of shares held by the Bidder as of the day when this document is submitted (32,760) from the total number of issued shares as of December 31, 2008 (59,360), entered in the Quarterly Securities Report for the third quarter of the 24th term, submitted by the Target Company on February 16, 2009.

(6) Changes in the ownership percentage of Shares as a result of purchase, etc.

Number of voting rights represented by Shares held by the Bidder before purchase, etc.	32,760 units	(Ownership percentage of Shares before purchase, etc.: 55.19%)
Number of voting rights represented by Shares held by parties in special relationship before purchase, etc.	Undetermined	(Ownership percentage of Shares before purchase, etc.: undetermined)
Number of voting rights represented by Shares planned to be purchased	26,600 units	(Ownership percentage of Shares after purchase, etc.: 100%)
Number of voting rights held by all shareholders, etc. of the Target Company	59,360 units	

Notes:

1. The “Number of voting rights represented by Shares planned to be purchased” is the number of voting rights represented by the number of Shares planned to be purchased through the TOB (26,600).
2. The “Number of voting rights represented by Shares held by parties in special relationship before purchase, etc.” is yet to be determined as of today. We plan to disclose it after investigations by May 7, 2009, the commencement date of the TOB Period. The “Number of voting rights represented by Shares held by parties in special relationship before purchase, etc.” is not included in the numerator in the calculation of “Ownership percentage of Shares after purchase, etc.” since Shares held by parties in special relationship are also subject to the TOB.
3. The “Number of voting rights held by all shareholders, etc. of the Target Company” is the number of voting rights of all shareholders, etc. as of December 31, 2008, entered in the Quarterly Securities Report for the third quarter of the 24th term, submitted by the Target Company on February 16, 2009.
4. “Ownership percentage of Shares before purchase, etc.” and “Ownership percentage of

Shares after purchase, etc.” are rounded off to two decimal places.

(7) Funds necessary for purchase, etc.: ¥931 million

Note: The “aggregate TOB Price” was obtained by multiplying the number planned to be purchased through the TOB (26,600 shares) by the per-share purchase price.

(8) Settlement method

- 1) Name and location of the head office of the financial instruments business operator, bank or other institution in charge of settlement for purchase, etc.

Shinko Securities Co., Ltd.

4-1 Yaesu 2-chome, Chuo-ku, Tokyo

Note: Mizuho Securities Co., Ltd. and Shinko Securities Co., Ltd. plan to merge as of May 7, 2009. The trade name and the location of the head office after the merger are as follows:

Mizuho Securities Co., Ltd.

5-1 Otemachi 1-chome, Chiyoda-ku, Tokyo

- 2) Commencement date of the settlement

Wednesday, June 24, 2009

- 3) Settlement method

A notice of purchase, etc. through the TOB will be mailed without delay after the expiry of the TOB Period to the address of each tendering shareholder, etc. (or the standing proxy in the case of non-Japanese shareholders). Payment for the purchase will be made in cash. The proceeds from selling the purchased Shares will be paid without delay after the commencement date of settlement in accordance with the instructions of each tendering shareholder, etc. (or the standing proxy in the case of non-Japanese shareholders), either by remittance by the TOB agent that accepted the tender for the TOB to the place designated by each tendering shareholder, etc. (or the standing proxy in the case of non-Japanese shareholders), or by payment at the head office or any of the domestic branch offices of the TOB agent that accepted the tender for the TOB.

- 4) Method to return Shares

In the event that none of the tendered Shares are purchased or some of them are not purchased under the conditions set forth in “1. Conditions set forth in each item of Article 27-13, paragraph (4) of the Financial Instruments and Exchange Act and the details thereof” or “2. Conditions of withdrawal of the TOB, the details thereof and the disclosure method for the withdrawal” in “(9) Other conditions and methods of purchase, etc.,” mentioned below, the TOB agent will immediately restore the Shares, which need to be returned, to the original state prior to the TOB, after the commencement date of the settlement (the date of withdrawal, etc. in the case where the TOB is withdrawn).

(9) Other conditions and methods of purchase, etc.

- 1) Occurrence or nonoccurrence of conditions set forth in each item of Article 27-13, paragraph (4) of the Financial Instruments and Exchange Act and details thereof

If the total number of tendered Shares through the TOB is less than the minimum limit of number planned to be purchased (6,814), the Bidder shall not implement the purchase of all the tendered Shares. If the total number of tendered Shares equals or exceeds the minimum limit of number planned to be purchased, the Bidder shall purchase all the tendered Shares.

- 2) Occurrence or nonoccurrence of conditions of withdrawal, etc. of the TOB, details thereof and disclosure method for the withdrawal

The TOB may be withdrawn if any event occurs that is listed in Article 14, paragraph (1), items (i) (a) through (i) and (l) through (r) and items (iii) (a) through (h) as well as Article 14, paragraph (2), items (iii) through (vi), of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the “Order”).

In the event that the Bidder intends to withdraw the TOB, etc., it shall make a public notice electronically and post a notice in “The Nikkei” newspaper that such public notice has been made; provided, however, that if it is deemed difficult to make such public notice on or prior to the last day of the TOB Period, the Bidder will make a public announcement in such manner as set forth in Article 20 of the Cabinet Office Ordinance on Disclosure of Tender Offer for Share Certificates, etc. by Person Other Than Issuer (Ordinance of the Ministry of Finance No. 38 of 1990, as amended; the “Cabinet Office Ordinance”) and give public notice forthwith.

- 3) Occurrence or nonoccurrence of conditions of the price of purchase, etc., details thereof and disclosure method of price reduction  
Pursuant to the provisions of Article 27-6, paragraph (1), item (i) of the Financial Instruments and Exchange Act (the “Act”), if the Target Company takes any action enumerated in Article 13, paragraph (1) of the Order during the TOB Period, the Bidder may reduce the price of purchase, etc., in accordance with the standard stipulated in Article 19, paragraph (1) of the Cabinet Office Ordinance. In the event that the Bidder intends to reduce the price of purchase, etc., it shall make a public notice electronically and post a notice in “The Nikkei” newspaper that such notice has been made; provided, however, that if it is deemed difficult to make such public notice on or prior to the last day of the TOB Period, the Bidder shall make a public announcement in such manner as set forth in Article 20 of the Cabinet Office Ordinance, and give public notice forthwith. If the price of purchase, etc. is reduced, the Bidder will also purchase at such reduced price all the shares tendered on or before the date of such public notice.

- 4) Matters concerning rights of cancellation of contract of tendering shareholders, etc.  
The tendering shareholders, etc. may, at any time during the TOB Period, cancel any contract pertaining to the TOB. When cancelling the contract, a tendering shareholder must deliver or mail a cancellation document (a document stating the cancellation of contract pertaining to the TOB), with the receipt of the application for tender of the TOB, to the head office or a branch office in Japan of the TOB agent that accepted the application for tender of the TOB by 3 p.m. on the last day of the TOB Period. Cancellation of the contract takes effect when a cancellation document is delivered or reaches the TOB agent. Therefore, please note that in the case where a cancellation document is mailed, the contract may not be cancelled unless it reaches the TOB agent by 3 p.m. on the last day of the TOB Period.

The Bidder will make no request to pay damages or penalty to tendering shareholders, etc. even if the contract is cancelled by tendering shareholders, etc. The Bidder shall bear the cost required for return of the tendered Shares after cancellation. If a tendering shareholder requests cancellation, the tendered Shares shall be quickly restored to the original state when they were tendered in accordance with the method specified in the aforementioned “4) Method to return Shares” in “(8) Settlement method,” immediately after the completion of the said procedures for requesting cancellation.

- 5) Disclosure method for changes in purchase conditions and other terms  
During the TOB Period, the Bidder may change the purchase conditions, etc., except for the prohibited cases set forth in Article 27-6 of the Act and Article 13 of the Order. When changing the purchase conditions, etc., the Bidder shall make a public notice on the details of such change(s) electronically, and post a notice in “The Nikkei” newspaper that such public notice has been made; provided, however, that if it is deemed impracticable to make such public notice by the last day of the TOB Period, the Bidder shall make a public announcement in such manner as set forth in Article 20 of the Cabinet Office Ordinance and give public notice forthwith. If any change of the purchase conditions, etc. is made, purchase will be made in accordance with the purchase conditions, etc. after such change(s) with regard to the Shares tendered before the day when such public notice is made.

- 6) Disclosure method when an amendment statement is submitted  
When the Bidder submits an amendment statement to the Director-General of the Kanto Local Finance Bureau, the Bidder shall immediately make a public announcement on the amendments pertaining to the items written in the public notice on the commencement of the TOB among the items written in the amendment statement in such manner as set forth in Article 20 of the Cabinet Office Ordinance. The Bidder will also immediately amend the TOB Explanatory Statement and provide the amended TOB Explanatory Statement to the tendering shareholders to whom the old Explanatory Statement has already been delivered. If, however, the amendments are made only to a limited extent, the Bidder shall prepare and deliver a document stating the amended items, the details of the items after the amendments as well as the reason thereof to the tendering shareholders, etc.
- 7) Disclosure method for the results of the TOB  
The Bidder shall make a public announcement regarding the results of the TOB in such manner as provided in Article 9-4 of the Order and Article 30-2 of the Cabinet Office Ordinance on the day following the last day of the TOB Period.
- 8) Others  
The TOB will not be implemented in or for the U.S., either directly or indirectly. It will not be conducted using the methods/means of U.S. inter-state trade, including mail, or international trade (including, but not limited to, facsimile, electronic mail, Internet communications, telex and telephone). Neither will it be conducted through facilities of securities exchanges in the U.S. No shareholder may tender the TOB using the aforementioned methods/means, through the facilities mentioned above, or from the U.S.

TOB notices concerning the TOB or relevant purchase documents will not be sent or distributed in, for or from the U.S. by mail or other methods. Such sending or distribution is not allowed. Any application for tender of the TOB that directly or indirectly infringes on the aforementioned restrictions may not be accepted.

When tendering the TOB, tendering shareholders, etc. (or the standing proxy in the case of non-Japanese shareholders) may be asked to make the following declaration and guarantee to the TOB agent:

Tendering shareholders, etc. are not in the U.S., either at the time of tendering the TOB or at the time of sending a TOB tender application form. They have not received any information regarding the TOB (including its copies) in or from the U.S. or sent such information in, for or from the U.S., either directly or indirectly. With regard to purchase or signing and delivery of TOB tender application forms, they have not used the methods/means of U.S. inter-state trade, including mail, or international trade (including, but not limited to, facsimile, electronic mail, Internet communications, telex and telephone) or facilities of securities exchange in the U.S. They are not those who act as agents with no discretion right for others or trustees of others (excluding a case where the said others give all directions concerning purchase from outside the U.S.).

- (10) Date of public notice of the commencement of TOB

Thursday, May 7, 2009

- (11) TOB agent

Shinko Securities Co., Ltd.  
4-1 Yaesu 2-chome, Chuo-ku, Tokyo

Note: Mizuho Securities Co., Ltd. and Shinko Securities Co., Ltd. plan to merge as of May 7, 2009. The trade name and the location of the head office after the merger are as follows:  
Mizuho Securities Co., Ltd.  
5-1 Otemachi 1-chome, Chiyoda-ku, Tokyo

### 3. Others

#### (1) Agreements between the Bidder and the Target Company or its Directors, and the details thereof

According to the Target Company, the Board of the Directors of the Target Company resolved at a meeting held on April 27, 2009, to express approval for the TOB and recommend shareholders of the Target Company to tender their shares for the TOB, with unanimous support by all three subject Directors who had taken part in deliberations and the resolution. We are also informed that all Corporate Auditors of the Target Company, including outside Corporate Auditors, gave views to the purport that they had no objection to the expression of an opinion of approval for the TOB by the Board of Directors of the Target Company.

The Bidder concluded an agreement, as outlined below, (“Basic Agreement on the Enhancement of the Marine Products Business of the Group”) with the Target Company as of April 27, 2009, concerning the enhancement of the marine products business of its Group.

##### 1) The TOB

The Bidder shall implement the TOB. During the TOB Period, the Target Company shall conduct only operations and transactions in ordinary business processes, in principle, and should not perform acts that significantly affect the business.

##### 2) Turning the Target Company into a Wholly Owned Subsidiary

When the TOB completes, the Bidder and the Target Company shall carry out the Turning the Target Company into a Wholly Owned Subsidiary through the following steps. The details, including the schedule and each effective date, shall be decided through discussions between the Bidder and the Target Company.

- (i) After the completion of the TOB, the Target Company shall quickly call an extraordinary general meeting of shareholders and a general meeting of class-shareholders, with the date decided through consultation with the Bidder as the record date, and refer the following items to the meetings as bills. The Bidder shall exercise affirmative voting rights, so that the bills shall be resolved.
  - (a) To partially amend the Articles of Incorporations of the Target Company to establish a provision to the purport that class shares will be issued.
  - (b) To further amend part of the Articles of Incorporations of the Target Company after amended pursuant to the preceding (a) to establish a provision to the purport that a class-wide call provision, which enables the Target Company to acquire all of its shares by a special resolution of a general meeting of shareholders, to all the shares of the Target Company (the shares of the Target Company after a class-wide call provision is attached to them shall be hereinafter referred to as “Shares of Common Stock with a Class-Wide Call Provision”).
  - (c) Pursuant to Article 171, paragraph (1) of the Companies Act and the Articles of Incorporation after amended pursuant to the preceding (a) and (b), the Target Company shall acquire all of the Shares of Common Stock with a Class-Wide Call Provision from the shareholders of the Target Company, and, in exchange for the said acquisition, grant different-class shares of the Target Company to each shareholder in compensation for the acquisition. In this case, it shall be provided for that the number of different-class shares of the Target Company to be granted in exchange for the acquisition of one Share of Common Stock with a Class-Wide Call Provision shall be a fraction so that the number of the said shares to be granted to each shareholder other than the Bidder shall be less than one unit.
- (ii) In accordance with the resolution of the aforementioned (c), the Target Company shall grant different-class shares of the Target Company to each shareholder of Shares of Common Stock with a Class-Wide Call Provision in exchange for the acquisition of Shares of Common Stock with a Class-Wide Call Provision. In this case, if shares to be issued to shareholders have fractions less than one unit, the Bidder or the Target

Company shall purchase shares in the number equivalent to the aggregate number of such fractions (if the total number has fractions less than one unit, the said fractions shall be truncated) pursuant to Article 234, paragraph (2) or paragraph (4) of the Companies Act. The calculation of the amount of money to be delivered to the shareholder as a result of the sale of shares of the Target Company in the number equivalent to the total number of the said fractions shall be based on the purchase price of the TOB, unless special circumstances occur.

3) Integration of Group marine products business

After the completion of aforementioned 2) Turning the Target Company into a Wholly Owned Subsidiary, the Bidder and the Target Company shall implement integration of the marine products business of the Group by transferring all issued shares of Ocean Rose Co., Ltd. and Kawaman Co., Ltd., held by the Bidder and Katokichi Suisan Co., Ltd., a subsidiary of the Bidder, to the Target Company at the time separately agreed upon.

4) Business enhancement

The Target Company shall carry out the enhancement of business under the proper governance and support of the Bidder, based on management on its own responsibility.

5) Conditions precedent

With regard to the fulfillment of duties by the Bidder concerning the commencement of the TOB and the Turning the Target Company into a Wholly Owned Subsidiary, the accomplishment of all the following items at the time of commencement of the TOB shall be conditions precedent, while with regard to the fulfillment of duties by the Target Company concerning the TOB and the Turning the Target Company into a Wholly Owned Subsidiary, the accomplishment of all the following items when such duties should be fulfilled shall be conditions precedent. However, each party concerned may waive all or part of the conditions precedent.

- (i) All representations and warranties by each of other parties concerned are true in all material points;
- (ii) Pursuant to this agreement, each of other parties concerned has fulfilled or observed all duties that should have been fulfilled or observed by the said time;
- (iii) Each party concerned has completed necessary approvals or procedures concerning the execution of the TOB or the Turning the Target Company into a Wholly Owned Subsidiary at the relevant administrative institutions in Japan or each relevant country, or is projected to complete them within a proper period after the execution;
- (iv) There exist no legal procedures or lawsuits filed by a third party, which will be great obstacles to the aforementioned “3) Integration of the marine products business” or “4) Business enhancement” (the “Measure”), on the side of each party concerned;
- (v) The management situation or the financial situation of the Target Company has not aggravated seriously, and there is no possibility of such aggravation.

6) Cancellation and compensation for damages, etc.

The Bidder and the Target Company may immediately cancel all or part of this agreement by notifying the other party of the intention of cancellation in writing in any of the following cases. The said cancellation shall not cause any liability under this agreement to either party concerned.

- (i) where it is deemed that the TOB and Turning the Target Company into a Wholly Owned Subsidiary will not be materialized due to reasons that cannot be attributable to either party concerned, as an order is issued by an administrative institution or a legal institution in accordance with laws and regulations or interference in the Measure by a third party occurs;
- (ii) where material changes occur in the management content or asset conditions of the Bidder or the Target Company or the Measure become significantly difficult due to natural disasters, calamities and other force majeure;
- (iii) where a material fact other than the facts disclosed by the Target Company before the



- conclusion of this agreement, which is rationally deemed to have a serious adverse influence on the Policies, occurs or becomes clear; and
- (iv) where a change or an alteration, which is rationally deemed to have a serious adverse influence on the Policies, occurs in the facts disclosed by the Target Company before the conclusion of this agreement.

The Bidder or the Target Company may immediately cancel all or part of this agreement by notifying the other party concerned of its intention of cancellation in writing, if the other party concerned (the “Party Concerned to Whom Cancellation is Attributable”) acts against material duties under this agreement and at the same time does not correct the situation within the reasonable period it has set, despite its demand for correction by setting such a period. In this case, the said Party Concerned to Whom Cancellation is Attributable should immediately compensate all damages suffered by the other party concerned.

If new liabilities (including, but not limited to, labor liabilities, taxes and other public charges in arrears, product complaints, product liability and other off-balance-sheet, latent and incidental liabilities; the same applies in this paragraph) are borne by the Target Company, liabilities become evident or damages are to be suffered by the Target Company after the completion of the TOB, resulting from facts other than the facts disclosed by the Target Company to the Bidder by the conclusion of this agreement and facts the Bidder had grasped by the conclusion of this agreement (limited to facts that had already existed by the time of the conclusion of this agreement), the Target Company should immediately take rationally necessary measures to recover the said liabilities or damages after consultation with the Bidder, unless the said liabilities or damages are due to reasons attributable to the Bidder.

(2) Process of making decision on the implementation of the TOB

As announced in separate releases (in Japanese only), “Katokichi Announces Commencement of Examination Regarding Integration of Its Marine Products Business,” released on April 21, 2008, and “Katokichi Announces Details of Integration of Its Marine Products Business,” released on September 22, 2008, the Bidder planned to integrate the businesses such as the processed marine products business operated by the Bidder and all the businesses operated by Kawaman Suisan Co., Ltd. (“Kawaman”), which is a consolidated subsidiary of the Bidder, into the Target Company, which is also a consolidated subsidiary of the Bidder and engages in the businesses such as the processed marine products business. Specifically, with regard to the processed marine products business of the Bidder, the Bidder planned to first transfer the business to Ocean Rose Co., Ltd. (“Ocean Rose”), which was newly established by the Bidder, and then transfer all shares of Ocean Rose to the Target Company. As for all the businesses operated by Kawaman, the Bidder planned to transfer all the shares of Kawaman held respectively by the Bidder and Katokichi Suisan Co., Ltd. to the Target Company as of January 1, 2009. Through these steps, the Bidder planned to integrate its marine products business (the “Integration”), and has been making preparations to that end, including the establishment of various infrastructures such as the key computer system. The Bidder expected the Integration to generate synergies, including the expansion of the sales base by making the most of products and sales networks of the Bidder, the Target Company and Kawaman through handling of shrimps, which are handled by the Bidder, and octopi, in which Kawaman boasts one of the largest handling volumes in Japan, in addition to conger eels, handled by the Target Company, and the differentiation from competitors as a result of handling of abundant products. However, as announced in a separate release of the Target Company (in Japanese only), “Green Foods Announces Rescheduling Regarding Changes in Subsidiaries (Acquisition),” released on December 26, 2008 pursuant to the timely disclosure rules, the transfer of shares for the Integration has been put off temporarily, since preparations were not completed, including the establishment of various infrastructures such as the key computer system. Also, the income status of these subsidiaries engaged in the marine products business is rapidly worsening compared with the initial forecasts mainly due to the quick economic slowdown of late, which

has become one of major causes affecting the progress in the integration of the said business.

The Target Company, which is the core of the integration of the marine products business, is projected to post a consolidated net loss of ¥7,793 million for the full fiscal year ended March 31, 2009. Against this backdrop, it is a pressing need to review and strengthen the business system at the marine products business subsidiaries of the Bidder.

Under such circumstances, the Bidder judged that to reinforce the business base of the marine products business of its Group at early stages and maximize the effects of the integration of the marine products business, it is extremely important to make the Target Company its wholly owned subsidiary and drastically strengthen the marine products business, not merely aiming to obtain short-term profits. Based on the judgment, the Bidder will establish a system to quickly carry out flexible and speedy measures by allocating management resources from medium- and long-term standpoints and raising management speed.

According to the circumstances mentioned above, the Bidder proposed the implementation of the TOB, aimed at turning the Target Company into its wholly owned subsidiary, to the Target Company. After careful discussions repeated at both the Bidder and the Target Company, the Bidder decided the implementation of the TOB, after the Target Company supported this policy of the Bidder.

(3) Measures to secure fairness and avoid conflicts of interest

The Target Company is a consolidated subsidiary of the Bidder as of the day when this document is submitted. Relationships between the Bidder and the Target Company in personnel affairs and business operations have been ongoing and will continue. Taking these facts into account, the Bidder and the Target Company have respectively taken the following measures to secure fairness of the valuation of price of purchase, etc. of the shares of the Target Company in the TOB (the “TOB Price”) and avoid conflicts of interest therein.

1) Acquisition of a share valuation report from an independent third-party

To secure the fairness of the TOB Price, the Bidder referred to the share valuation report (the “Valuation Report”; valuation record date: April 24, 2009) submitted on April 24, 2009 by Masters Trust Inc. (“Masters Trust”), a third-party valuation institution independent of the Bidder and the Target Company, when it decided the TOB Price. Masters Trust used the market stock price average method and the discounted cash flow method (“DCF method”). The per-share value of the shares of the Target Company, calculated using each method mentioned above, is as follows:

(a) Market stock price average method: ¥29,375 – ¥38,900

With the market stock price average method, the per-share value of the shares of the Target Company was calculated to be ¥29,375 – ¥38,900 based on the average of closing prices of the shares of the Target Company on the JASDAQ Securities Exchange for the past six months, that for the past three months and that for the past one month, with April 24, 2009 as the record date, and the closing price on the valuation record date.

(b) DCF Method: ¥34,707 – ¥42,443

The DCF Method is a method to calculate the business value and share value of the Target Company by discounting future free cash flows to be produced by the Target Company by a certain discount rate, including capital cost of the Target Company, to give their present values, on the premise of earnings in the business plans of the Target Company, investment plans, etc.. Using this method, the per-share value of the shares of the Target Company was calculated to be ¥34,707 – ¥42,443.

Based on the details and results of each method written in the Valuation Report, the Bidder judged that the market stock price average method does not properly reflect the stock value of the Target Company, since the stock price of the Target Company significantly fluctuated daily, as indicated in its latest changes: it plunged from the

¥30,000 range to ¥7,110 from early March 2009 to March 21, 2009 and then soared to ¥47,300 on April 16, 2009. Attaching importance to the DCF method, the Bidder comprehensively took into account the track records of premiums added to the average values of market stock prices over a certain period in the past TOB cases, acceptance or rejection of approval for the TOB by the Board of Directors of the Target Company, overall prospects for the TOB, and other factors, and gave consideration to the results of discussions and negotiations with the Target Company. Consequently, at a meeting of its Board of Directors, held on April 27, 2009, the Bidder decided that the TOB Price would be ¥35,000.

The TOB Price was obtained by adding a premium of 19.05% (rounded to two decimal places; the same applies in this paragraph) to ¥29,400 (figures below the decimal point omitted; the same applies in this paragraph), the average closing price of shares of the Target Company on the Jasadq Securities Exchange for the past six months up to April 24, 2009; a premium of 19.15% to ¥29,374, the average closing price for the past three months; and a premium of 8.45% to ¥32,274, the average closing price for the past one month. It is 10.03% lower than ¥38,900, the closing price on April 24, 2009.

2) Decision making at the Board of Directors of the Target Company and acquisition of a share valuation report

Meanwhile, according to the Target Company, in light of the fact that the parent of the Target Company is the Bidder in the TOB, among its Directors, Takayuki Fujii, who is managing executive officer of the Bidder, and Mikio Tauchi and Isao Kishigami, who are employees of the Bidder, did not take part in the deliberations and resolution concerning various terms and conditions of the TOB, mentioned above, at the meeting of the Board of Directors of the Target Company from the standpoint of avoiding conflict of interests. Neither did they take part in discussions and negotiations with the Bidder in the position of the Target Company.

Separately from the Bidder, the Target Company decided to ask Iwata Certified Public Accountant Office (“Iwata Office”), a third-party institution that is independent of the Bidder and the Target Company and does not fall under a related party of the Target Company, to value the shares of the Target Company, and acquire a share valuation report from Iwata Office to use the report as basic materials for judging the fairness of the TOB Price presented by the Bidder. Iwata Office calculated the per-share value of the shares of the Target Company to be ¥29,323 to ¥49,781 by comprehensively assessing the results of valuation worked out by the market stock price average method, the DCF method and the comparable company comparison method.

We are informed that the Board of Directors of the Target Company cautiously looked into the share valuation report, obtained from Iwata Office, and carefully discussed and examined the issue, with the three Directors who concurrently serve as Director or employee of the Bidder voluntarily refraining from taking part in deliberations and resolution, as mentioned above, while giving consideration to the quorum for the passage of the resolution. Then, judging that various terms and conditions of the TOB are appropriate and that the TOB provides the shareholders of the Target Company with opportunities to sell the shares of the Target Company at a rational price, all the three subject Directors who had taken part in deliberations and resolution unanimously resolved to express an opinion of approval for the TOB and an opinion to recommend the shareholders of the Target Company to tender their shares for the TOB, according to the Target Company. We are also informed that all Corporate Auditors of the Target Company, including outside Corporate Auditors, gave views to the purport that they had no objection to the expression of an opinion of approval for the TOB by the Board of Directors of the Target Company.

3) Advice from a law office

The Board of Directors of the Target Company obtained legal advice on factors such as the

method and processes of decision making by the Board of Directors, including various procedures for the TOB, from Kita General Law Office, a legal advisor to the Target Company. Based on such advice, the Board of Directors of the Target Company carefully examined if approval for the TOB would help increase the corporate value of the Target Company.

4) Period of purchase, etc. set relatively long

The Bidder set the TOB Period as 30 business days, which is relatively long, to ensure for the shareholders of the Target Company opportunities to properly decide whether to tender their shares for the TOB, and for other purchasers, opportunities to purchase the Shares, thus securing the fairness of the TOB Price.

(4) Other information deemed necessary for investors to decide whether to tender their shares for purchase, etc.

1) Likelihood of delisting

The shares of the Target Company are currently listed on the Jasdaq Securities Exchange. However, the Bidder has not set the maximum limit of the number of Shares to be purchased in the TOB and will purchase all of tendered Shares. Depending on the result of the TOB, there is a possibility that the shares of the Target Company might be delisted in accordance with prescribed procedures, if the shares of the Target Company fall under the Delisting Criteria of the Jasdaq Securities Exchange. Even if the result of the TOB does not conflict with the Delisting Criteria, the Bidder plans the Turning the Target Company into a Wholly Owned Subsidiary, as explained in “(4) Policy on organizational restructuring, etc. after the TOB (matters related to the so-called two-step acquisition)” of “1. Purpose of purchase, etc.,” mentioned above. In that case, the shares of the Target Company will likely be delisted. Once delisted, the shares of the Target Company cannot be traded on the Jasdaq Securities Exchange.

2) Green Foods Announces Possibility of Irrecoverability or Delay in Collection of Claims, Occurrence of Extraordinary Losses, Consolidated Earnings Forecasts for Fiscal Year Ended March 31, 2009 and Revisions of Non-Consolidated Earnings Forecasts for Fiscal Year Ended March 31, 2009

The Target Company released “Green Foods Announces Possibility of Irrecoverability or Delay in Collection of Claims, Occurrence of Extraordinary Losses, Consolidated Earnings Forecasts for Fiscal Year Ended March 31, 2009 and Revisions of Non-Consolidated Earnings Forecasts for Fiscal Year Ended March 31, 2009” on April 27, 2009, as follows: (Details of the announcement made by the Target Company)

Note: The “Company” in the following release means the Target Company.

Green Foods Announces Possible Irrecoverability or Delay in Collection of  
Claims, Occurrence of Extraordinary Losses, Consolidated Earnings Forecasts  
for Fiscal Year Ended March 31, 2009 and Revisions of Non-Consolidated  
Earnings Forecasts for Fiscal Year Ended March 31, 2009

Green Foods Co., Ltd. announced today, as described below, arising of a possibility of irrecoverability or delay in collection of the Company’s claims, occurrence of extraordinary losses, consolidated earnings forecasts for the fiscal year ended March 31, 2009 and revisions of non-consolidated earnings forecasts for the fiscal year ended March 31, 2009, which was publicly announced on February 9, 2009.

The consolidated and non-consolidated earnings forecasts for the fiscal year ended March 31, 2009, disclosed in this release, have factored in the recognition of provision of allowance for doubtful accounts and the occurrence of extraordinary losses, resulting from

the arising of a possibility of irrecoverability or delay in collection of claims.

1. Possible irrecoverability or delay in collection of claims (Qingdao San Ping Trade Foods Co., Ltd.)

(1) Outline of the debtor

- |                                      |   |
|--------------------------------------|---|
| 1) Trade name:                       | Qingdao San Ping Trade Foods Co., Ltd.  |
| 2) Location of head office:          | 35 Donghai Road, South District, Qingdao, Shandong Province, People's Republic of China |
| 3) Title and name of representative: | Xianggen Li, President  |
| 4) Principal business:               | Processing and wholesale of merchandise   |
| 5) Capital:                          | 11 million yuan (approximately ¥156 million)  |

(2) Fact that occurred to the debtor and the date of the occurrence

To ensure high-quality raw materials, the Company paid loans and advances as support for purchase funds, and collected the loans, loan interest and advances from revenue of the debtor by purchasing processed marine products from the debtor. However, comprehensively taking into account the decrease in purchase as a result of the stricter purchase management system of the Company following the problems concerning the safety of foods, the management status and other factors and after consultation with the accounting auditor, we decided at a meeting of the Board of Directors held today to recognize provision of allowance for doubtful accounts of ¥404 million regarding the amount of some claims we hold, for which a possibility of irrecoverability or delay in collection is undeniable.

(3) Type and amount of claims to the debtor and the ratio of the claims to net assets

- |  |   |
|--|---|
| 1) Type of claims to the debtor:       | Claims in the form of loans, claims in the form of loan interest receivable, claims in the form of advances |
| 2) Amount:                             | ¥404 million (as of March 31, 2009)   |
| 3) Ratio to net assets of the Company: | Ratio to net assets (¥3,207 million) as of the end of the latest fiscal year (March 31, 2008): 12.5%        |

2. Possible irrecoverability or delay in collection of claims (HAEJIN MOOLSAN Co., LTD.)

(1) Outline of the debtor

- |                                      |   |
|--------------------------------------|---|
| 1) Trade name:                       | HAEJIN MOOLSAN Co., LTD.                                    |
| 2) Location of head office:          | 1650-1 Songjeong-dong, Gangseo-gu, Busan, Republic of Korea |
| 3) Title and name of representative: | Sun Ximin, Representative Director                          |
| 4) Principal business:               | Manufacturing and sale of processed marine products         |
| 5) Capital:                          | 3,400 million won (approximately ¥246 million)              |

(2) Fact that occurred to the debtor and the date of the occurrence

To ensure high-quality raw materials, the Company paid loans and advances to support purchase funds, and collected the loans, loan interest and advances from revenue of the debtor by purchasing processed marine products from the debtor. However, comprehensively taking into account the decrease in purchase as a result of the stricter purchase management system of the Company following the problems concerning the safety of foods, the management status and other factors and after consultation with the accounting auditor, we decided at a meeting of the Board of Directors held today to recognize provision of allowance for doubtful accounts of ¥182 million regarding the amount of some claims we hold, for which a possibility of irrecoverability or delay in collection is undeniable.

(3) Type and amount of claims to the debtor and the ratio of the claims to net assets

- |                                  |  |
|----------------------------------|--|
| 1) Type of claims to the debtor: | Claims in the form of loans, claims in the form of |
|----------------------------------|--|

- loan interest receivable, claims in the form of advance
- 2) Amount: ¥182 million (as of March 31, 2009)
- 3) Ratio to net assets of the Company: Ratio to net assets (¥3,207 million) as of the end of the latest fiscal year (March 31, 2008): 5.6%

3. Possible irrecoverability or delay in collection of claims (Zhoushan Gulin Foods Co., Ltd.)

(1) Outline of the debtor

- 1) Trade name: Zhoushan Gulin Foods Co., Ltd.
- 2) Location of head office: 2133 Donghai West Road, Putuo, Zhoushan, Zhejiang Province, People's Republic of China
- 3) Title and name of representative: Xianggen Li, President
- 4) Principal business: Purchase, processing, sale, etc. of marine products and agricultural by-products
- 5) Capital: ¥2,000 million

(2) Fact that occurred to the debtor and the date of the occurrence

The Company established Zhoushan Gulin Foods Co., Ltd. ("Zhoushan Gulin Foods") in China for the purpose of manufacturing processed marine products, and supported it with loans of purchase funds, etc., and advances. However, after consultation with the accounting auditor and taking into account the earnings plan and financial situation of Zhoushan Gulin Foods under the influence of the rapid economic slowdown in addition to the issues of Chinese foods and other factors, we decided at a meeting of the Board of Directors held today to recognize provision of allowance for doubtful accounts of ¥750 million regarding the amount of some claims we hold, for which a possibility of irrecoverability or delay in collection is undeniable.

(3) Type and amount of claims to the debtor and the ratio of the claims to net assets

- 1) Type of claims to the debtor: Claims in the form of loans, claims in the form of loan interest receivable, claims in the form of advance
- 2) Amount: ¥750 million (as of March 31, 2009)
- 3) Ratio to net assets of the Company: Ratio to net assets (¥3,207 million) as of the end of the latest fiscal year (March 31, 2008): 23.3%

4. Occurrence of extraordinary losses

(1) Recognition of provision of allowance for doubtful accounts (consolidated and non-consolidated)

On a non-consolidated basis, the Company recognized a total of ¥3,211 million in provision of allowance for doubtful accounts regarding its claims to Zhoushan Gangming Foods Co., Ltd. and Zhoushan KATOKA Food Co., Ltd., which are trading partners described in "Green Foods Announces Possibility of Irrecoverability or Delay in Collection of Claims and Revisions of Consolidated and Non-consolidated Earnings Forecasts for Second Quarter of Fiscal Year Ending March 31, 2009 and Revisions of Non-consolidated Earnings Forecasts for Full Fiscal Year Ending March 31, 2009" as of October 17, 2008, mainly attributable to addition of ¥1,875 million and ¥1,336 million, which is described in the aforementioned paragraphs 1, 2, and 3.

On a consolidated basis, the Company recognized provision of allowance for doubtful accounts of ¥2,461 million, which was obtained by subtracting ¥750 million related to claims to Zhoushan Gulin Foods, specified in the aforementioned paragraph 3 from provision of allowance for doubtful accounts on a non-consolidated basis.

(2) Impairment loss (consolidated and non-consolidated)

On a non-consolidated basis, after consultation with the accounting auditor, the Company

recognized impairment loss of ¥725 million in total, mainly due to impairment loss of ¥336 million related to its head office building and that of ¥206 million related to software.

On a consolidated basis, the Company recorded impairment loss of ¥2,279 million, which is a total of the non-consolidated impairment loss and impairment loss of ¥1,553 million yen related to facilities and equipment of Zhoushan Gulin Foods.

(3) Loss on valuation of inventories (consolidated)

On a consolidated basis, after consultation with the accounting auditor, the Company recorded loss on valuation of inventories of ¥639 million regarding raw materials in stock, etc. of Zhoushan Gulin Foods.

(4) Loss on valuation of investments in capital of subsidiaries and affiliates (non-consolidated)

On a non-consolidated basis, after consultation with the accounting auditor, the Company recognized loss on valuation of investments in capital of subsidiaries and affiliates of ¥2,000 million, the whole amount of the shares in Zhoushan Gulin Foods, in consideration of the earnings plan and financial situation of Zhoushan Gulin Foods.

Mainly due to the factors mentioned above, we recognized extraordinary losses of ¥5,383 million on consolidated basis and that of ¥5,940 million on a non-consolidated basis.

5. Consolidated earnings forecasts for fiscal year ended March 31, 2009

(1) Fiscal year forecasts (April 1, 2008 to March 31, 2009)

(Millions of yen)

	Net sales	Operating income (loss)	Ordinary income (loss)	Net income (loss)
Earnings forecast for fiscal year ended March 2009 (A)	14,485	(977)	(1,273)	(7,793)

Note: Figures for the results of the fiscal year ended March 31, 2008 are not available, since we started preparing consolidated financial statements from the second quarter of the fiscal year ended March 31, 2009.

(2) Summary of operating results

The Japanese economy during the fiscal year ended March 31, 2009, entered a trend of recession characterized by rises in crude oil prices and prices of food raw materials, slowdown in growth of exports to the U.S. resulting from the deceleration of the U.S. economy, sharp decreases in housing starts and lowering of business capital investment intention.

In the foods industry, to which the Company belongs, the competition environment is harsher than ever, as foods companies are required to further enhance their quality management systems as a result of growing social interest in safety and security of food.

Under such circumstances, to maximize corporate value, the Company and its Group business companies have been striving to maintain or increase earnings from existing businesses and proceeding with discussions under a basic agreement on taking over of the marine products business, concluded in April 2008, to push forward with initiatives for new business development.

For the fiscal year ended March 31, 2009, net sales of the Company stood at ¥14,485 million due to decreases in demand for conger eel products and eel products imported from China, which are flagship products of the Company, resulting from the issue of safety of food. Gross margin declined, since sales of conger eel products and eel products,

which have higher profitability than other products, dropped and loss on valuation of merchandise in stock was recognized under cost of sales. With regard to selling, general and administrative expenses, expenses attendant upon businesses of overseas subsidiaries and preparations for the acquisition of subsidiaries increased, while provision of allowance for doubtful accounts was posted due in part to the filing for court protection from creditors under the Civil Rehabilitation Act by Tsukiji Suisan Co., Ltd. Consequently, the Company expects to record an operating loss of ¥977 million and ordinary loss of ¥1,273 million. Net loss will amount to ¥7,793 million because of the recognition of extraordinary losses described in the aforementioned paragraph 4.

#### 6. Revisions of non-consolidated earnings forecasts for fiscal year ended March 2009

##### (1) Fiscal year forecasts (April 1, 2008 to March 31, 2009)

	Net sales	Operating income (loss)	Ordinary income (loss)	Net income (loss)
Previous forecast (A)	13,990	(326)	(432)	(1,379)
Revised forecast (B)	14,135	(786)	(856)	(7,933)
Change (B – A)	145	(460)	(424)	(6,554)
Change (%)	1.0%	–	–	–

##### (2) Reason for revision

In “Green Foods Revises Non-consolidated Earnings Forecasts for Fiscal Year Ending March 31, 2009,” released on February 9, 2009, Green Foods took into consideration the declining demand and other factors, and forecasted ¥13,990 million in net sales, ¥326 million in operating loss, ¥432 million in ordinary loss and ¥1,379 million in net loss.

The previous earnings forecasts are now being revised mainly because of the occurrence of extraordinary losses described in the aforementioned paragraph 4.

Though net sales are expected to increase slightly from the previous forecasts, gross margin is projected to decline by ¥149 million mainly due to the recognition of loss on valuation of merchandise in stock under cost of sales. Selling, general and administrative expenses are projected to increase because of the following factors. Commissions paid will amount to ¥117 million and remunerations paid will stand at ¥33 million, primarily attributable to businesses of overseas subsidiaries, while provision of allowance for doubtful accounts due in part to the filing for court protection from creditors under the Civil Rehabilitation Act by Tsukiji Suisan Co., Ltd. will total ¥104 million and depreciation because of capital investment attendant upon preparations for the acquisition of subsidiaries will amount to ¥18 million. Accordingly, the Company forecasts operating loss of ¥786 million and ordinary loss of ¥856 million, with interest income standing at ¥17 million.

Net loss is forecasted to be ¥7,933 million, as extraordinary losses described in the aforementioned paragraph 4 will be recognized and the amount of income tax adjustment will be reviewed.

Note: The figures provided in the above forecasts are forward-looking estimates based on information that was available at the time. Making such estimates involves many uncertainties. Actual earnings, etc. may be different to the figures stated here as a result of a change of circumstances etc.

##### 3) Notice Regarding Dividend for the Fiscal Year Ended March 31, 2009

The Target Company released “Notice Regarding Dividend for the Fiscal Year Ended March 31, 2009” on April 27, 2009, as follows: (Details of the announcement made by the Target Company)



Note: The “Company” in the following release means the Target Company.

#### Notice Regarding Dividend for the Fiscal Year Ended March 31, 2009

The Board of Directors of Green Foods Co., Ltd. (the “Company”) today made the following resolution regarding per-share dividend forecast.

1. Dividend for the fiscal year ended March 31, 2009

(1) Reason

The Company had kept the specific amount of dividend for the fiscal year ended March 31, 2009 undetermined, since it planned to carefully decide the amount by closely observing the progress in earnings due to a possibility of drastic changes in consolidated earnings for the fiscal year ended March 31, 2009. However, as announced in “Green Foods Announces Possibility of Irrecoverability or Delay in Collection of Claims, Occurrence of Extraordinary Losses, Consolidated Earnings Forecasts for Fiscal Year Ended March 31, 2009 and Revisions of Non-Consolidated Earnings Forecasts for Fiscal Year Ended March 31, 2009,” released today, we forecast a considerable net loss for the fiscal year ended March 31, 2009. To our regret, we will pay no term-end dividend for the fiscal year ended March 31, 2009.

(2) Details of dividend

(Yen)

Record date	Dividend per share	
	Term-end	Full-year
Dividend per share	0.00	0.00
(Reference) Result of previous term (Year ended March 31, 2008)	670.00	670.00

As for the Company’s earnings forecasts and related matters for the fiscal year ended March 31, 2009, please refer to “Green Foods Announces Possibility of Irrecoverability or Delay in Collection of Claims, Occurrence of Extraordinary Losses, Consolidated Earnings Forecasts for Fiscal Year Ended March 31, 2009 and Revisions of Non-Consolidated Earnings Forecasts for Fiscal Year Ended March 31, 2009,” released today.

4) Green Foods Announces Rescheduling Regarding Changes in Subsidiaries (Acquisition)

The Target Company released “Green Foods Announces Rescheduling Regarding Changes in Subsidiaries (Acquisition)” on April 27, 2009, as follows (details of the announcement made by the Target Company):

Note: The “Company” in the following release means the Target Company.

#### Green Foods Announces Rescheduling Regarding Changes in Subsidiaries (Acquisition)

In “Green Foods Announces Rescheduling Regarding Changes in Subsidiaries (Acquisition),” released on December 26, 2008, the Company announced that it would implement taking over of all shares of Ocean Rose Co., Ltd. and Kawaman Suisan Co., Ltd. from Katokichi Co., Ltd. (“Katokichi”) and Katokichi Suisan Co., Ltd. (the “Taking Over of Shares”) possibly within the fiscal year (ended March 31, 2009).

Although Katokichi, the parent of the Company, resolved today to implement a tender offer bid aimed at acquiring all issued shares of the Company to turn the Company into a wholly owned subsidiary of Katokichi and the Company resolved to approve the tender offer bid, there are no changes in the corporate strategy to proceed with the Taking Over of Shares to

realize growth of the marine products business, the core business of the Company. Accordingly, we decided to quickly implement the Taking Over of Shares after the Company becomes a wholly owned subsidiary of Katokichi through this tender offer bid, as soon as preparations are completed possibly by October 1, 2009.

As for the details of the tender offer bid, etc., please refer to “Green Foods Expresses Opinion of Approval for the Tender Offer Bid for Shares of the Company by Katokichi,” released today.

As for the Company’s earnings forecasts for the fiscal year ended March 31, 2009, please refer to “Green Foods Announces Possibility of Irrecoverability or Delay in Collection of Claims, Occurrence of Extraordinary Losses, Consolidated Earnings Forecasts for Fiscal Year Ended March 31, 2009 and Revisions of Non-Consolidated Earnings Forecasts for Fiscal Year Ended March 31, 2009,” released today.