

December 2, 2016

Company Name: NAGATANIEN HOLDINGS CO.,LTD.
Representative: President Taijiro Nagatani
(Code: 2899; the First Section of the
Tokyo Stock Exchange)
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**Notice regarding acquisition of shares of Broomco (3554), the parent
company of Chaucer Food Group, UK freeze dried producer
(conversion into a subsidiary) and borrowing of funds**

NAGATANIEN HOLDINGS CO.,LTD. (“Nagatanien”) hereby announces that Nagatanien has resolved at a meeting of its Board of Directors today to jointly acquire Broomco (3554) Limited (Headquarter: North Humberside, CEO: Andrew James Ducker; hereinafter “Broomco”), the parent company of Chaucer Food Group (“Chaucer”), a freeze dried producer in the UK, with Innovation Network Corporation of Japan (“INCJ”) and to borrow funds for the purpose of acquiring the shares and has signed the Share Purchase Agreement. Following completion of the acquisition, the shareholding ratios are as follows: Nagatanien 60% and INCJ 40%. After acquiring 100% of the issued shares of Broomco, Nagatanien will transfer 40% of the share to INCJ.

1. Purpose of the Share Acquisition

Since Nagatanien’s incorporation in 1953, leveraging a corporate philosophy of “Aji-Hitosuji” (Naturally Excellent Taste), Nagatanien Co. Ltd. has been offering deliciousness to our customers with originality and ingenuity. In order to grow further as a group, it is of critical importance to continuously challenge in new areas in both domestic and global markets.

While the competition in the Japanese food industry is becoming more severe due to changes in the domestic market environment, such as sluggish growth in consumer spending, decreasing birth rate, aging population and growth in individualistic food consumption, there are positive trends in the overseas market population growth and diversification of food, including wider acceptance of Japanese food and trends towards healthier food. Nagatanien will strive to develop overseas business using our technology in freeze dried production, particularly in the developed Western countries where there is a noticeable shift to high value-added foods.

The acquisition of UK-based Chaucer, a leading freeze dried and bread product producer with a global distribution network and production facilities, enables us to expand and strengthen overseas business by combining our long established production know-how and Chaucer's abundant resources in global market.

2. Outline of Broomco

(1)	Name	Broomco (3554) Limited		
(2)	Location	Unit 26 Brighton Street, Industrial Estate, Freightliner Road, Hull, North Humberside, HU3 4EN, United Kingdom		
(3)	Representative's name and title	Director, Andrew James Ducker		
(4)	Main business	Holding Company		
(5)	Capital (in 1,000 US\$)	36,657		
(6)	Date of foundation	September 17, 2004		
(7)	Major members and ownership ratio (As of December 2, 2016)	Shackleton Partners (General Partner) Limited acting in its capacity as the general partner of Shackleton Capital Partners LP 28.0% Canada Square Nominees (UK) Limited 14.0% Endless Fund II A 11.4% Endless Fund II B 2.6% Others		
(8)	Relationship between Nagatanien and Broomco	Capital relationship	Not applicable	
		Personal relationship	Not applicable	
		Business relationship	Not applicable	
(9)	Consolidated operating results and financial position of Broomco for the recent three years			
	(in 1,000 US\$)	FY 2013/12	FY 2014/12	FY 2015/12
	Net assets	14,065	12,094	6,523
	Total assets	85,630	94,515	90,038
	Total revenue	115,869	118,939	139,321
	Operating Income	5,861	2,843	△266
	Net Income attributable to owners of parent	2,270	△889	△3,226

Changes in subsidiaries required to be disclosed, other than Broomco, are the three companies below:

(1)	Name	Broomco (3555) Limited	
(2)	Location	Unit 26 Brighton Street, Industrial Estate, Freightliner Road, Hull, North Humberside, HU3 4UN, United Kingdom	
(3)	Representative's name and title	Director, Andrew James Ducker	
(4)	Main business	Holding Company	
(5)	Capital (in 1,000 US\$)	22,282	
(6)	Date of foundation	September 17, 2004	
(7)	Major members and ownership ratio (As of December 2, 2016)	Broomco (3554) Limited 100%	
(8)	Relationship between Nagatanien and Broomco (3555) Limited	Capital relationship	Not applicable
		Personal relationship	Not applicable
		Business relationship	Not applicable

(1)	Name	Chaucer Foods Limited	
(2)	Location	Unit 26 Brighton Street, Industrial Estate, Freightliner Road, Hull, North Humberside, HU3 4EN, United Kingdom	
(3)	Representative's name and title	Director, Andrew James Ducker	
(4)	Main business	Manufacturing and selling of freeze dried foods and bread products	
(5)	Capital (in 1,000 US\$)	1,019	
(6)	Date of foundation	March 6, 1996	
(7)	Major members and ownership ratio (As of December 2, 2016)	Pilgrim Food Holdings Limited 100%	
(8)	Relationship between Nagatanien and Chaucer Foods Limited	Capital relationship	Not applicable
		Personal relationship	Not applicable
		Business relationship	Not applicable

(1)	Name	Chaucer Foods SAS	
(2)	Location	110, rue de la Perrirue, 49260 Saint-Cyr-en-Bourg, France	
(3)	Representative's name and title	Director, David Manning Director, Andrew James Ducker	

(4)	Main business	Manufacturing and selling of freeze dried foods	
(5)	Capital (in 1,000 EURO)	6,106	
(6)	Date of foundation	October 24, 1980	
(7)	Major members and ownership ratio (As of December 2, 2016)	Chaucer Foods Limited 100%	
(8)	Relationship between Nagatanien and Chaucer Foods Limited	Capital relationship	Not applicable
		Personal relationship	Not applicable
		Business relationship	Not applicable

In accordance with the request by the sellers, the business results and the financial position of the three subsidiaries above are not to be disclosed. Broomco, Broomco (3555) Limited, and Chaucer Foods SAS will be specified subsidiaries.

3. Outline of the Sellers *

(1)	Name	Shackleton Partners (General Partner) Limited acting in its capacity as the general partner of Shackleton Capital Partners LP	
(2)	Location	26 New Street, St. Helier, Jersey JE2 3RA	
(3)	Relationship between Nagatanien and the Seller	Not applicable	

(1)	Name	Canada Square Nominees (UK) Limited	
(2)	Location	8 Canada Square, London, E14 5HQ	
(3)	Relationship between Nagatanien and the Seller	Not applicable	

(1)	Name	Endless Fund II A	
(2)	Location	3 Whitehall Quay, Leeds, LS1 4BF	
(3)	Relationship between Nagatanien and the Seller	Not applicable	

(1)	Name	Endless Fund II B	
(2)	Location	3 Whitehall Quay, Leeds, LS1 4BF	
(3)	Relationship between	Not applicable	

Nagatanien and the Seller	
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* In addition to the sellers above, Nagatanien will acquire the shares of Broomco from ten individual sellers. There is no capital, personal, or business relationship particularly noted between Nagatanien and the individual sellers. Only information regarding name and location is disclosed due to the request from the parties.

4. Number of shares to be acquired

(1) Number of shares held before the transfer	0 Shares (voting right ratio: 0%)
(2) Number of shares to be acquired	A ordinary shares 100,466,666 shares B ordinary shares 16,208,296 shares C ordinary shares 93,872,766 shares D ordinary shares 146,133,334 shares E ordinary shares 8,000 shares F ordinary shares 95,052,000 shares *1
(3) Acquisition price	Shares of Broomco US\$ 130 Million Advisory fee, etc. (estimated amount) US\$ 3 Million Total (estimated amount) US\$ 133 Million *1, 2
(4) Number of shares held after the transfer	A ordinary shares 100,466,666 shares B ordinary shares 16,208,296 shares C ordinary shares 93,872,766 shares D ordinary shares 146,133,334 shares E ordinary shares 8,000 shares F ordinary shares 95,052,000 shares (voting right ratio: 100%) *1

*1 After acquiring 100% of the issued shares of Broomco, Nagatanien will transfer 40% of the share to INCJ. The numbers of “(2) Number of shares to be acquired”, “(3) Acquisition price”, and “(4) Number of shares held after the transfer” are 100% acquisition basis of Broomco by Nagatanien. Reverse stock split of the Broomco share will be conducted when transferring the share to INCJ.

*2 Acquisition price includes the net debt of Broomco, which in effect Nagatanien repays at the closing.

5. Schedule

(1) Determination	December 2, 2016
(2) Execution of agreement	December 2, 2016
(3) Closing of the acquisition *	December 9, 2016 (planned)

* The closing of the transaction is subject to customary closing conditions. Legal and regulatory approvals are not expected to be required.

6. Borrowing of Funds

(1) Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd .
(2) Borrowing Amount	JPY equivalent to US\$ 130 Million
(3) Borrowing Rate	Floating rate referring to market rate
(4) Borrowing Method / Repayment Method	Unsecured / Lump-sum repayment *
(5) Repayment Date	May, 31 ,2017

* The proceeds from selling 40% of Broomco share to INCJ will be used for repayment immediately after the selling of shares.

7. Outlook

The impact of the acquisition on the consolidated earnings is under examination at this time. Any change in financial results forecast or other relevant matters requiring disclosure will be made public as necessary in a timely manner.

(Reference) Consolidated earnings forecast (announced November 4, 2016) and actual earning result

(Millions of yen)

	Total revenue	Operating Income	Ordinary Income	Net Income attributable to owners of parent
Year ending March 31, 2017	80,800	3,100	3,050	1,770
Year ending March 31, 2016	79,193	2,818	2,828	1,265

End