

KANEMATSU CORPORATION**Kanematsu Engages in a Pet Food Production Business in Hokkaido**

Kanematsu Corporation is pleased to announce that it has established a wholly owned subsidiary to acquire North Pet Co., Ltd. (hereinafter, North Pet), which mainly produces pet treats in Yubari-gun, Hokkaido, and that operations have commenced.

North Pet is a well-established pet-treat manufacturer established in 1987 and, taking advantage of the geographical conditions in Hokkaido, has focused on the production of safe and secure pet food that uses fresh meat and seafood, as well as agricultural products produced locally in Hokkaido. In addition, among pet-treat manufacturers, North Pet has one of the best production facilities in Japan. The products produced at its plant include the Daichi no Yakusoku series and the CAMMY series, and are highly praised in terms of quality and palatability.

In the pet food market in Japan, against a backdrop of heightened awareness of health issues for pets, demand for premium food is a strong and each manufacturer is currently introducing new products, so the market is stable. In the overseas pet food market, the pet-related market is expected to expand in line with economic growth, mainly in Asia and emerging countries. Above all, the Hokkaido brand is highly recognized for its gourmet ingredients in the Southeast Asia market, and we believe that we will be able to take full advantage of the strengths of North Pet.

Kanematsu has developed products for private brands and store brands of pet food, pet treats, and pet products and has imported and sold these items, as well as selling raw materials and products to manufacturers in Japan. In addition, Kanematsu has worked extensively on the export of Japanese manufacturers' products to Asia, as well as in global business operations including tripartite trade.

With this acquisition, Kanematsu will establish an integrated management system in pet-related businesses, from the procurement of raw materials to production and sales, to build an organization that responds to diverse needs in Japan and abroad. By integrating the advantages of North Pet into the knowledge/experience that Kanematsu has accumulated, we aim to achieve further expansion and growth in our business.

[Summary of business transfer]

Business transferred: North Pet's pet treat production business

Net sales of business transferred: ¥1.2 billion (fiscal year ended in September 2013)

Plan for transfer: Business transfer under a program of the Hokkaido Small and Medium-Sized Business Rehabilitation Support Co-operative

[Summary of transferee company]

Name: North Pet Co., Ltd. (established with the same name as the transferring company)

Headquarters: Minato-ku, Tokyo

Plant location: Kuriyama-cho, Yubari-gun, Hokkaido

Representative: President Kiyoshi Asano

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