

(translated)

August 18, 2022

To whom it may concern

Company: ITOHAM YONEKYU HOLDINGS Inc.
Representative: Isao Miyashita, President and Representative Director
(Tokyo Stock Exchange, Prime Market, Securities Code: 2296)

Inquiries: Masaru Kato,
General Manager, Public & Investor Relations Office
Tel: +81-3-5723-6889

Notice of company split (Simplified Absorption Split) with Consolidated Subsidiaries

Itoham Yonekyu Holdings Inc. hereby announces that it was resolved by Board of Directors meeting held today, regarding the succession part of the businesses of consolidated subsidiaries, Itoham Foods Inc. and Yonekyu Corp. at through an absorption-type company split (Hereafter, the "Company Split") with an effective date of April 1, 2023.

Since the Company Split will be taken simplified absorption-type company split to succeed the business of a wholly-owned subsidiaries of our company, certain disclosure items and details have been omitted.

1. Purpose of the Company Split

We have been changing our organizational structure from company basis to a strategic segment basis to strengthen our management and revenue base, which is a key policy of the Medium-Term Management Plan 2023. We do restructure the entire our group, including the Company Split with our company as the operating holding company, with the aim of creating a more efficient and competitive business execution and organizational structure, as well as making the largest integration effect and improving our growth potentials.

*For details of the reorganization of the entire our group, please refer to "Group Reorganizaition Overall Summary" in the attached document.

2. Summary of the Company Split

(1) Schedule of the Company Split

Board of Directors Resolution Date : August 18, 2022

Date of the absorption-type company split agreement : August 18, 2022

Date of absorption-type split (effective date) : April 1, 2023 (scheduled)

*Since the Company Split is a simplified absorption-type company split as provided in Article 796, Paragraph 2 of the Companies Act, it will be conducted without obtaining approval from the shareholders meeting.

(2) Method of the Company Split

This is a simplified absorption-type company split. Therefore we will become a successor company and Itoham Foods Inc. and Yonekyu Corp. will become the splitting companies.

(3) Details of allotment related to the Company Split

There will be no allocation of shares or other money in the Company Split.

(4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in Connection with the Company Split

Not applicable.

(5) Increase or decrease in capital due to the Company Split

There will be no increase or decrease in the capital of our company as a result of the corporate split.

(6) Rights and Obligations Succeeded by the Succeeding Company

We will succeed the assets, liabilities, rights and obligations relating to the Company Split from Itoham Foods Inc. and Yonekyu Corp. to the extent of the absorption-type company split agreement.

(7) Prospect of fulfillment of obligations

The Company has determined that there are no problems with our ability to fulfill its obligations after the effective date of the Company Split.

3. Overview of Companies Involved in the Company Split (as of March 31, 2022)

	Successor Company	Splitting company in absorption-type company split	Splitting company in absorption-type company split
(1) Name	Itoham Yonekyu Holdings Inc.	Itoham Foods Inc.	Yonekyu Corp.
(2) Address	Mita, Meguro-ku, Tokyo 1-6-21	Bingocho, Nada-ku, Kobe 3-2-1	Okanomiyaterabayashi, Numazu, Shizuoka 1259
(3) Representative Title and Name	President and Chief Executive Officer Isao Miyashita	Chief Executive Officer Koichi Ito	Chief Executive Officer Akihisa Horiuchi
(4) Business Content	Management of consolidated subsidiaries and all business incidental thereto	Manufacture and sale of processed meat products, processing and sale of meat, and manufacture and sale of prepared foods	Production and sale of meat products (beef, pork, chicken, other meat) and processed goods (ham, sausage, delicatessen)
(5) Capital stock	30,003 million yen	28,427 million yen	8,634 million yen
(6) Date of incorporation	April 1, 2016	June 29, 1948	February 26, 1969
(7) Total number of shares outstanding	297,355,059 shares	204,247,736 shares	25,367,663 shares
(8) Fiscal year-end	March 31	March 31	March 31
(9) Major shareholders and Percentage of shares held	Mitsubishi Corporation 39.66% The Master Trust Bank of Japan, Ltd. 7.46% ITO KINEN ZAIDAN 4.11% S KIKAKU 3.52% ITO BUNKA ZAIDAN 2.12% Custody Bank of Japan, Ltd. 1.93% MUFG Bank, Ltd. 1.07% Sumitomo Mitsui Banking Corporation 1.07%	Itoham Yonekyu Holdings Inc. 100%	Itoham Yonekyu Holdings Inc. 100%

(10)Financial position and operating results for the year ended March 2022			
	Successor Company (Consolidated)	Splitting company in absorption-type company split (Non-consolidated)	Splitting company in absorption-type company split (Non-consolidated)
Net assets	262,740 million yen	115,077 million yen	39,054 million yen
Total assets	413,123 million yen	198,984 million yen	64,771 million yen
Net assets per share	897.66 yen	563.42 yen	1,539.55 yen
Net sales	854,374 million yen	509,336 million yen	178,655 million yen
Operating profit	24,611 million yen	2,702 million yen	4,117 million yen
Ordinary profit	28,596 million yen	13,882 million yen	5,441 million yen
Profit (loss) attributable to owners	19,118 million yen	12,772 million yen	4,081 million yen
Profit (loss) per share	65.34 yen	62.29 yen	160.91 yen

4. Outline of the succession business the split

(1)Details of the business to be succeeded by the company split

Itoham Foods Inc.	1.Meat business 2.The following functions within the processed food business <ul style="list-style-type: none"> • Production headquarters functions (excluding operations at each plant) • Business strategy function • Sales Division functions (excluding operations of the Sales Management Department and Convenience Store Business Department) 3.Group company management business 4.Administrative Headquarters functions 5.Business indirect function
Yonekyu Corp.	1.Meat operations (excluding operations of the Meat Marketing Division and the Fujiyama plant) 2.Processed goods business 3.Production headquarters functions (excluding operations at each plant and eco-project center) 4.Group company management business 5.Administrative Headquarters functions 6.business indirect function

(2)Operating Results of the Business Succeeded in the Split (Year ended March 2022)

Itoham Foods Inc. : Net sales 297,178 million yen

Yonekyu Corp. : Net sales 5,491 million yen

(3)Items and amounts of assets and liabilities to be succeeded through the split

Itoham Foods Inc.

Current assets 46,186 million yen Current liabilities 93 million yen

Fixed assets 11,920 million yen Fixed liabilities 106 million yen

Yonekyu Corp.

Current assets 26,210 million yen Current liabilities 0 million yen

Fixed assets 4,014 million yen Fixed liabilities 0 million yen

*Since the calculation is based on the balance sheet as of March 31, 2022, the actual amount to be transferred in the split will be adjusted for the increase or decrease up to the effective date.

5. Status after the Company Split

After the corporate split, we will transition from holding company to an operating holding company, but there will be no change to the company name, head office location, title and name of the representative, capital stock or fiscal year-end of our company.

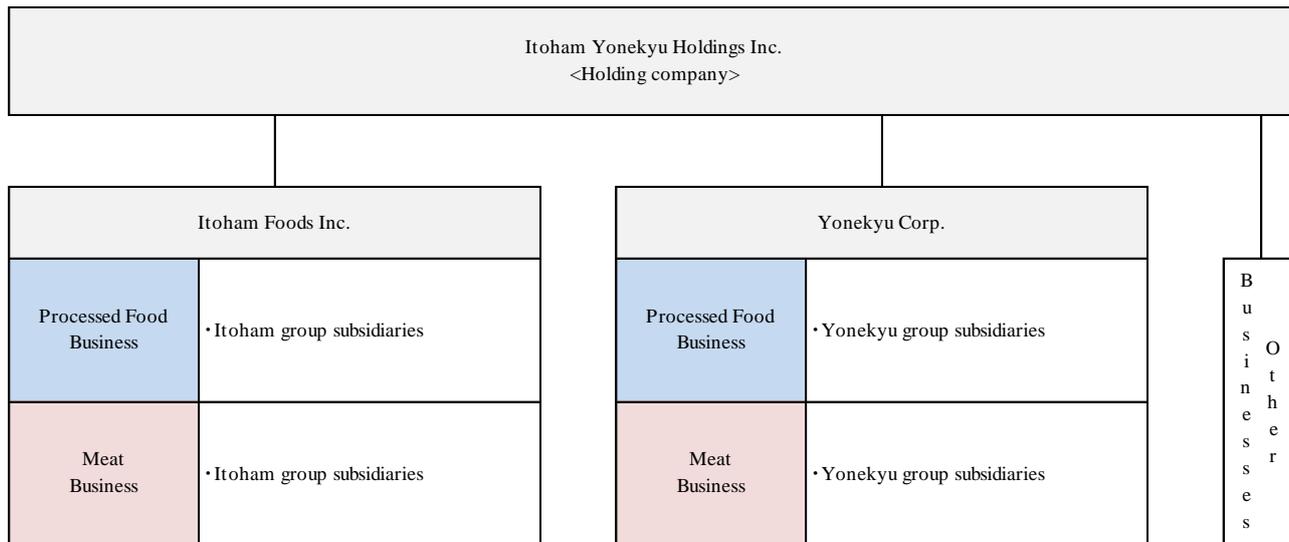
6. Outlook

Since the corporate split conduct within our company and its subsidiaries, therefore our impact of consolidated financial results will be immaterial.

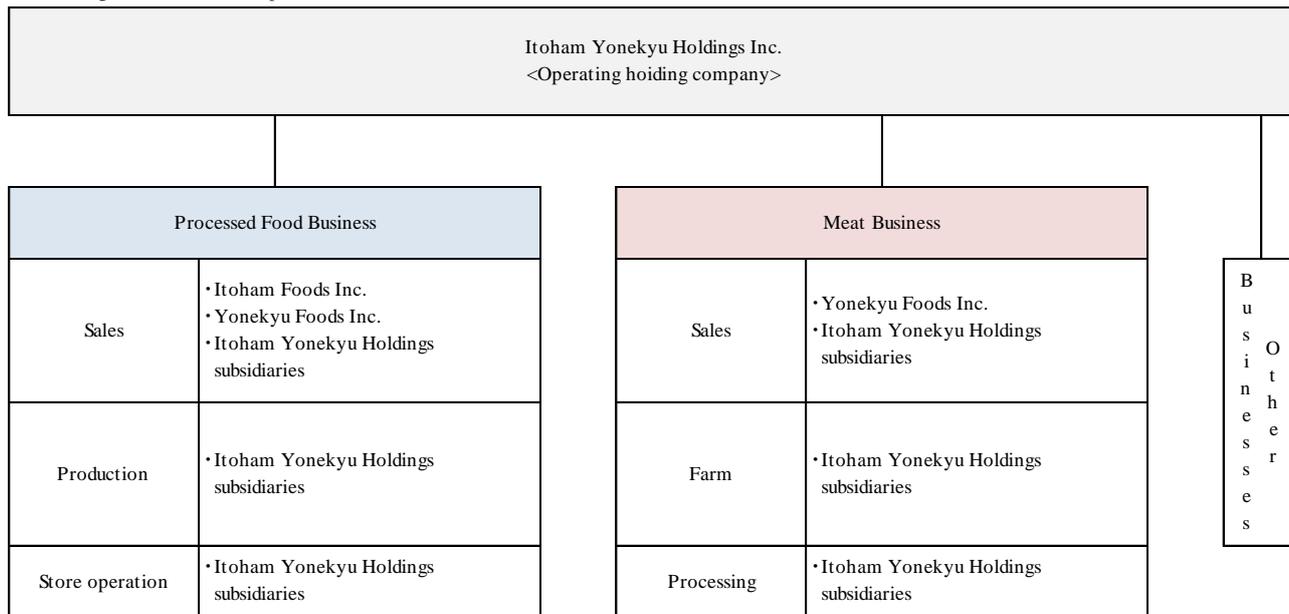
(Reference)

< Overview of Group Reorganization >

Current : until March 31, 2023



After reorganizaition : after April 1, 2023



Itoham Yonekyu Holdings Inc.

Group Reorganization Overall Summary

August 18, 2022

*Glossary of terms

- HD : Itoham Yonekyu Holdings Inc.
- Itoham : Itoham Foods Inc.
- Yonekyu : Yonekyu Corp.
- Itoham Group : Itoham Foods Inc. and its subsidiaries
- Yonekyu Group : Yonekyu Corp. and its subsidiaries
- Processed Food : Processed Food Business Division
- Meat : Meat Business Division

■ Overview

(1) Itoham Yoenkyu changed from a holding company to an operating holding company.

(2) Itoham Yonekyu reorgananized its consolidaries by function basis.

■ Purpose

Company sure to build business systems and its organizational structure to accelerate each initiative of the 2023 mid-term business plan.

**Make largest integration effects
and lead to sustainable growth**

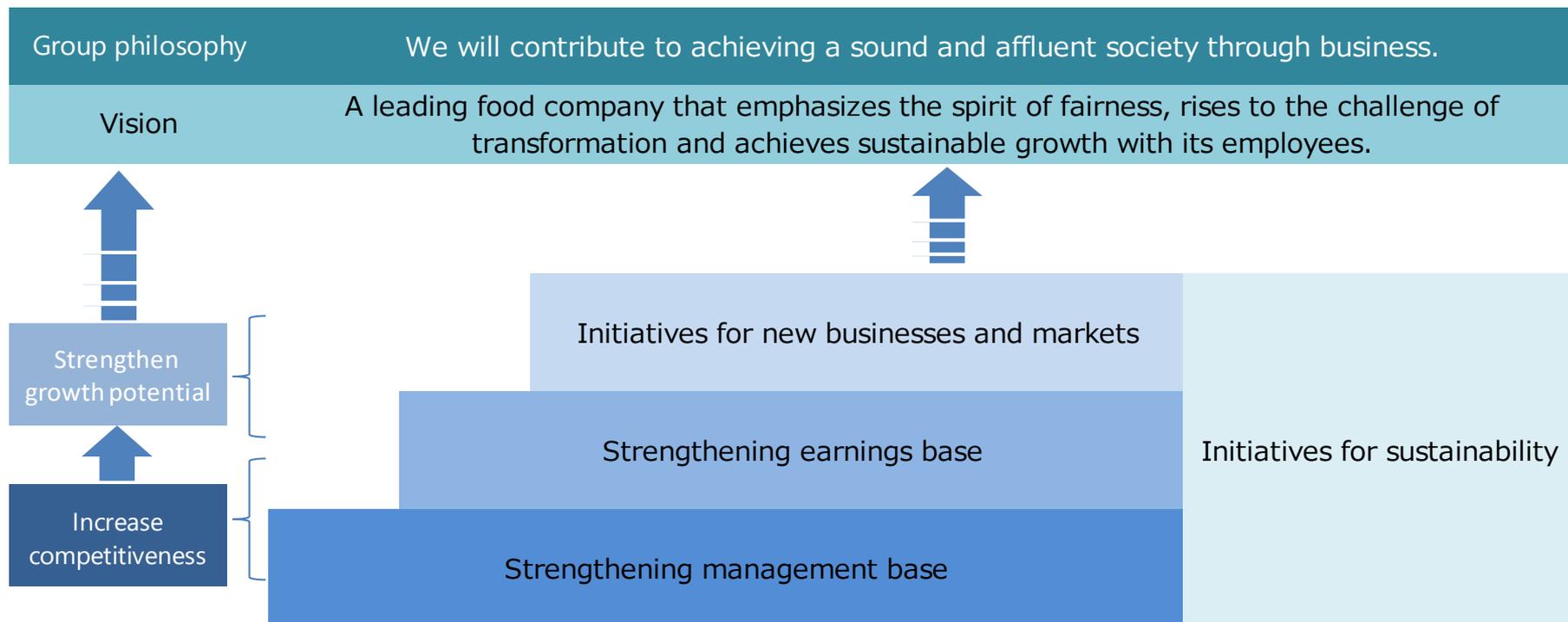
Medium-Term Business Plan 2023 Overview

● Challenges

- ✓ We need to improve the profitability of management and revenue base after the integration, also we need to **increase competitiveness**.
- ✓ We need to **strengthen growth potential** by responding to market trend and social-environmental situation.

● Priorities

- ✓ Strengthening the management base : Build an efficient and competitive business system and organizational structure to make **largest effects of the integration**.
- ✓ Strengthening revenue base : Enhance cost competitiveness and improve the value of products and services to increase **the Group's market competitiveness**.
- ✓ Initiatives for new businesses and markets : Re-allocate management resources to the fields where are expected to increase **the Group's growth**.
- ✓ Initiatives for sustainability : Respond to social and environmental situation, it works to **enhance the Group's value and achieve the sustainable growth**.



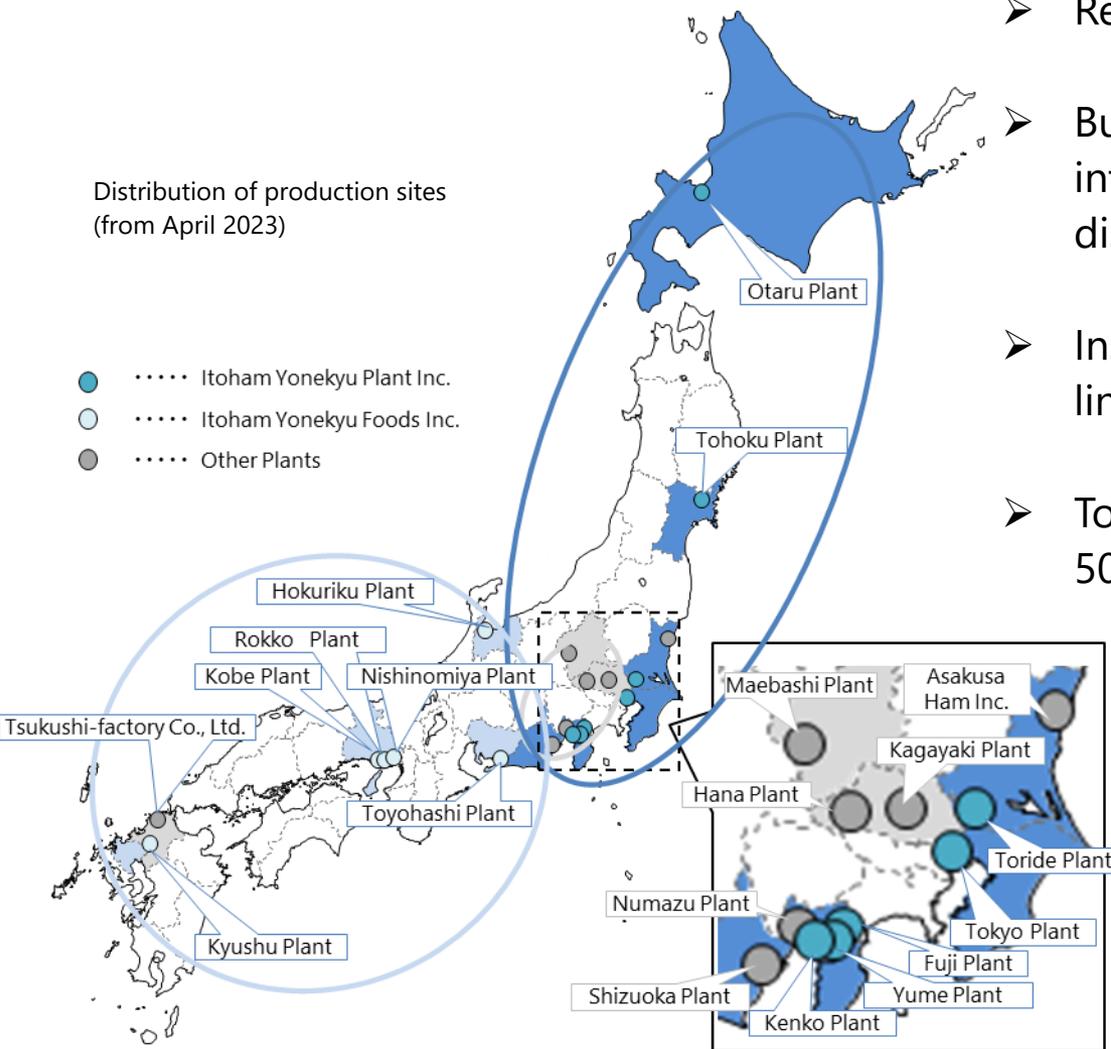
Example of action plan

- ✓ Reorganize the product location to take total optimization as a HD basis.
Strengthen cost competitiveness and profitability to achieve sustainable growth.

- Reorganize factories nationwide by area.
- Build an optimal system for each area by integrating sales offices and reorganizing distribution centers.
- Installing the highly efficient production lines.
- Total investment planned approximately 50-60 billion JPY by FY2026.

Distribution of production sites
(from April 2023)

- Itoham Yonekyu Plant Inc.
- Itoham Yonekyu Foods Inc.
- Other Plants



Investment Schedule for Reorganization of Production Bases				
Amount	FY2022	FY2023	FY2024	FY2025 onward
Current MTMP ¥20-30 billion		◆	➤	➤
Next MTMP ¥30 billion				◆ ➤

Overview of reorganization (1)

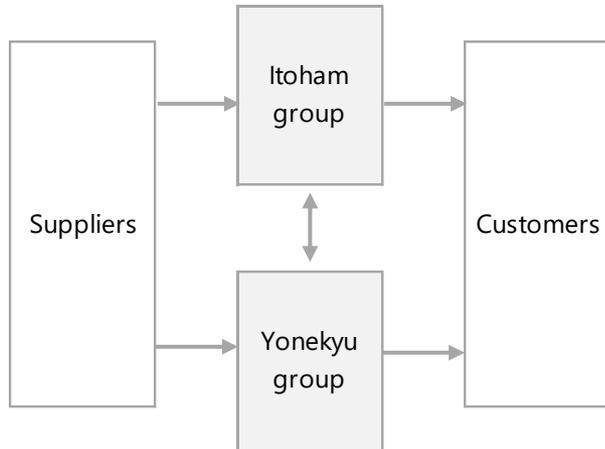
- Organizational form

- ✓ Strategy, procurement, and headquarters functions of the meat business were integrated into HD in October 2021.
- ✓ Strategy, marketing, headquarters, and partial procurement functions of the processed food business were integrated into HD in April 2022.

- Commercial form

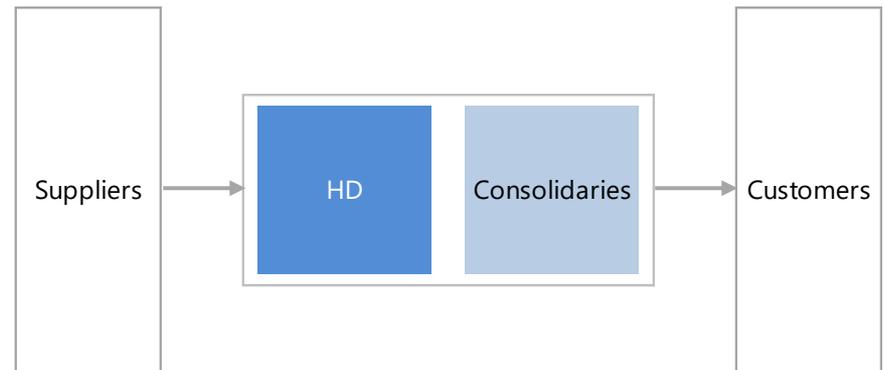
- ✓ Adapted the commercial distribution form to the organizational form, and **changed HD to an operating holding company.**

Old: Until March 2023
Commercial image



- Itoham group and Yonekyu group did purchase and did make sales by each entity.

New: From April 2023
Commercial image



- Centralized procurement into HD.
- Sales are mainly handled by the group's sales companies.
(In part, direct procurement of group companies and with direct sales from HD)

Overview of reorganization (2)

- ✓ Itoham Yonekyu and its subsidiaries integrate the functions by business basis.
- ✓ Each company reorganize flatly by function as a subsidiary of HD.

Old: Until March 2023

HD		
P r o c e s s e d F o o d	Strategy, Marleting	M Strategy
	Headquarters (Production, Sales)	e Headquarters (Farm)
	Procurement	t Procurement
Corporate, etc.		

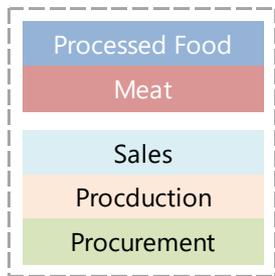
Itoham Group

Yonekyu Group

P r o c e s s e d F o o d	Sales	
	Production	Itoham Foods Inc.
	Procurement	
	Production	Itoham Daily Inc.
	Sales	Itoham West Inc.
	Production	Tsukushi Factory Co., Ltd.
	Production	Asakusa Ham Inc.
	Production	Royal Delica Inc.
	Production	Ito Fresh Salad Co., Ltd.
	Production	Kikusui Inc.
M e a t	Sales	Itoham Sales Inc.
	Sales	Itoham Business Support Inc.
	Store operation	Itoham Food Solutions Co., Ltd.
	Procurement	Itoham Foods Inc.
	Production	Sankyo Meat Co., Ltd.
	Production	IH Meat Packer Co., Ltd.
Processing	IH Meat Solutions Co., Ltd.	
Sales	Itoham Meat Sales East Inc.	
Sales	Itoham Meat Sales West Inc.	

P r o c e s s e d M e a t	Sales	
	Production	Yonekyu Corp.
	Procurement	
	Production	Yonekyu Kagayaki Corp.
	Production	Yonekyu Delica Foods Corp.
	Sales	Yonekyu Corp.
	Processing	Yonekyu Corp.
	Procurement	
	Production	Yonekyu Oishii Tori Corp.
	Production	Taiyo Pork Corp.
Production	I-Pork Corp.	
Production	Marufuji Corp.	

Matrix type



New: From April 2023

HD		
P r o c e s s e d F o o d	Strategy, Marleting	M Strategy
	Headquarters (Production, Sales)	e Headquarters (Farm)
	Procurement	t Procurement
Corporate, etc.		

Processed Food

Meat

S a l e s p r o d u c t i o n S t o r e o p e r a t i o n	Itoham Foods Inc.
	Yonekyu Corp.
	Itoham Sales Inc.
	Itoham Business Support Inc.
	Itoham Yonekyu Plant Inc.
	Itoham Yonekyu Foods Inc.
	Yonekyu Kagayaki Corp.
	Yonekyu Delica Foods Corp.
	Tsukushi Factory Co., Ltd.
	Asakusa Ham Inc.
Royal Delica Inc.	
Ito Fresh Salad Co., Ltd.	
Kikusui Inc.	
Itoham Food Solutions Co., Ltd.	

S a l e s p r o d u c t i o n P r o c e s s i n g	Yonekyu Corp.
	Itoham Meat Sales East Inc.
	Itoham Meat Sales West Inc.
	Yonekyu Oishii Tori Corp.
	Taiyo Pork Corp.
	Sankyo Meat Co., Ltd.
	IH Meat Packer Co., Ltd.
	I-Pork Corp.
	Marufuji Corp.
	IH Meat Solutions Co., Ltd.

Functional type by business Segment

*Only group companies subject to this reorganization are listed.

Contact Information

ALT ITO Bldg. 1-6-21, MITA, MEGURO-KU, TOKYO , 153-8587, JAPAN

ITOHAM YONEKYU HOLDINGS INC.

Public & Investor Relations Office

TEL : +81-3-5723-6889

You can also contact us from the company website.

<https://www.itoham-yonekyu-holdings.com>

The current plans, forecasts, strategies and other items contained in this presentation include our forecasts for business results. These forecasts are not historical facts; they are our judgment based on currently available information. We do not guarantee these forecast business results, and they contain elements of risk and uncertainty. The purpose of this presentation is not to solicit investment, but to give all investors a deeper understanding of Itoham Yonekyu Holdings. We have taken care over the content of this presentation, but we do not accept any responsibility for errors in the content, tampering by third parties, or errors that may occur during downloading.