

(Translated)

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To whom it may concern:

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Notice regarding introduction of Restricted Stock Compensation Plan

Itoham Yonekyu Holdings Inc. ("the Company") announced its Board of Directors resolved at a meeting on May 22, 2018, to revise the remuneration system for directors and executive officers and introduce a Restricted Stock Compensation Plan (the "Plan"). The motion for this is to be proposed to the Second Ordinary General Meeting of Shareholders (the "General Meeting of Shareholders") scheduled on June 26, 2018.

1. Purpose and Requirement for Introduction of the Plan

(1) Purpose of introduction of the Plan

The introduction of the Plan aims to entice the Company's directors (excluding outside directors.) to increase the stock value and the corporate value of the Company by further sharing the merit and risk of stock value fluctuation with shareholders in the form of remuneration by restricted stock compensation. The Plan takes into consideration tax reform of 2016, where tax measures were set in place for income tax taxation period and expensing period for remuneration for directors by means of restricted stock compensation.

(2) Requirement for introduction of the Plan

Since the restricted share based remuneration plan involves the provision of monetary receivables as remuneration to the Company's directors (excluding outside directors), the introduction of the plan is subject to approval of providing such remuneration by shareholders at a General Meeting of Shareholders.

At the 1st Ordinary General Meeting of Shareholders held on June 27, 2017, approval was given for the amount of remuneration for the directors of the Company to be no more than 400 million yen per year (no more than 40 million yen for outside directors and excluding the amount of employee's salary paid to a director who concurrently holds an employee post). In addition, approval was given for a maximum amount of 80 million yen per year of remuneration, separately from the above-noted remuneration, in the form of the issuance of subscription rights to shares as share remuneration-type stock options. At this General Meeting of Shareholders, the Company plans to propose

for the approval of shareholders the introduction of the new Remuneration Plan with a maximum amount of 80 million and the setting of the remuneration portion as a substitution of the portion of the share remuneration-type stock options to the Company's directors (excluding outside directors).

Subject to approval at this General Meeting of Shareholders, the Company plans to discontinue the share remuneration-type stock option plan and not issue new subscription rights to shares as share remuneration-type stock options to the directors (excluding outside directors).

2. Overview of the Plan

(1) Allocation of Restricted Stock Compensation and Contributions

The Plan grants directors (excluding outside directors) monetary compensation claims to pay Stock Compensation each business year within the maximum amount stated above according to board resolution of the Company. Each directors (excluding outside directors) will be allocated Restricted Stock Compensation by using all the monetary compensation claims as contributed assets.

The amount paid in per share shall be the amount determined by the board of directors within the scope of an amount that is not particularly advantageous to the directors who under write the common shares. It is based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day before the day of the relevant resolution of the board of directors. If no trading is reported on the day, it shall be the closing price on the immediately preceding day.

The above monetary compensation claims will be granted provided the director agrees to the contribution above and executes the Restricted Stock Compensation Agreement as defined in (3) below.

(2) Maximum Number of Shares

The total number of the Company's common shares to issue to the directors (excluding outside directors) based on the Plan shall be 100,000 shares or less per year.

However, in the event of necessity of share splitting (including allotment of share without contribution) or share consolidation of the Company's common shares occurring after the conclusion of the General Meeting of Shareholders, adjustments will be reasonably made to the total number of the shares depending on the proportion of share splitting or share consolidation.

(3) Restricted Stock Compensation Agreement

The Restricted Stock Compensation Agreement which shall be executed between the Company and the director receiving allocation shall contain the following clauses.

<1> Restrictions

Directors allocated shares based on the Plan may not dispose the allocated shares in any ways including transfers, pledges, mortgages, advancements or bequests for the

period between 20 to 30 years as determined by the board of directors (the "Restricted Period").

<2> Free of Charge Acquisition of Allocated Shares

If, prior to the expiry of the Restricted Period, directors lose any of the following positions: a director or executive officer, upon the loss of position, with exception of cases recognized as legitimate by the board of directors such as expiration of term or death, the Company shall as a matter of course acquire all of the allocated shares free of charge.

In addition, the Company shall, as a matter of course, acquire free of charge, allocated shares that had not had its restrictions lifted based on <3> below at the end of the Restricted Period as stated in <1> above.

<3> Lifting of Restrictions

The Company shall lift the restriction for all allocated share at the end of the Restricted Period provided that the director allocated shares retain the position of director or executive officer from the beginning of the Restricted Period through to the Ordinary General Meeting of the Company following the beginning of the Restricted Period.

However, if a director loses any of the following positions: a director or executive officer prior to the expiry of the Restricted Period through reasons recognized as legitimate by the Board of Directors, then the Company shall reasonably adjust the allocated shares and lift the restrictions as seems fit.

<4> Treatment of Allocated Shares Upon Reorganization of the Company

If, during the Restricted Period, a merger agreement in which the Company becomes a non-surviving company, a share exchange agreement or a share transfer plan under which the Company becomes a wholly-owned subsidiary of another company or any other matters related to reorganization, etc. are resolved at a General Meeting of Shareholders (or by the board of directors, if the approval of the General Meeting of Shareholders is not required), then the Company will reasonably adjust as necessary the number of the allocated shares for which restrictions are to be lifted and the timing of the lifting of the Restrictions by resolution of the board of directors.

In addition, in the cases prescribed above, the company shall, as matters of course, acquire all of the allocated shares for which the restrictions are not lifted free of charge immediately after the time restrictions are lifted.

<For reference>

Provided that the General Meeting of Shareholders approves the introduction of the Plan, the Company also plans to introduce a Restricted Stock Compensation Plan similar to the Plan to executive officers of the Company.