

(Translated)

July 21, 2017

To whom it may concern

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Issuance of Stock Acquisition Rights as Stock Based Remuneration Stock Option

The company announces that it was resolved at the board of directors meeting held on July 21, 2017 to issue stock acquisition rights as Stock Based Remuneration Stock Option to the company's directors (except outside directors), and directors (except outside directors) and executive officers of the company's subsidiaries, Itoham Foods Inc. and Yonekyu Corporation (hereafter "applicable directors and officers") in accordance with Article 261, Article 238 and Article 240 of the Companies Act.

1. Reason for issuing stock acquisition rights a stock based remuneration stock option

The scheme further enhances the commitment to and motivation of the applicable directors and officers for improved business performance in the medium to long term and a sustained increase in corporate value by sharing the benefits and risks of stock price fluctuations with the company's shareholders.

2. Outline of issuance of stock acquisition rights

(1) Name of the stock acquisition rights

10th Series of Stock Acquisition Rights of Itoham Yonekyu Holdings Inc.

(2) Persons to whom stock acquisition rights are to be allotted, the number of such persons and the number of stock acquisition rights to be allotted

Persons: applicable directors and officers

Company's directors	2	Acquisition Rights	340
Directors and officers of subsidiaries	26	Acquisition Rights	988

(3) Type and number of shares to be issued or transferred upon the exercise of stock acquisition rights

The number and type of shares to be issued will be 34,000 shares of ordinary stock for the company's directors and 98,800 shares of ordinary stock for directors and officers of subsidiaries. However, if the company implements a stock company split or stock consolidation with respect to its shares of common stock, the Number of Issued Shares will be adjusted by using the following formula.

$$\begin{array}{l} \text{Number of Issued} \\ \text{Shares after adjustment} \end{array} = \begin{array}{l} \text{Number of Issued Shares} \\ \text{before Adjustment} \end{array} \times \begin{array}{l} \text{Ratio of stock split or} \\ \text{stock consolidation} \end{array}$$

In addition to the above, the Number of Issued Shares will be properly adjusted to the extent necessary and reasonable if the company merges, engages in a company split, or effects share exchanges, share transfers, or allotments of shares (without contribution), or if an adjustment in the Number of Issued Shares is otherwise required. Any fraction less than one share resulting from adjustment will be rounded down to the nearest share.

(4) Total number of stock acquisition rights

The total number of stock acquisition rights will be 340 for the company's director and 988 for directors and officers of its subsidiaries. The number of shares to be issued upon the exercise of one stock acquisition right will be 100 share of common stock of the company. However, if the number of shares to be issued upon the exercise of a stock acquisition right is adjusted as provided for in Section (3) above, the number of shares per stock acquisition right will be adjusted accordingly.

(5) Amount to be paid in upon the issuance of stock acquisition rights

The amount to be paid in upon the issuance of each stock acquisition right will be the per share option price calculated by using the Black-Scholes model, multiplied by the number of shares to be issued. In the case of directors and executive officers of the subsidiaries (Itoham Foods Inc. and Yonekyu Corporation), the company will undertake the remuneration payable to such directors and executive officers thereby offsetting the amount to be paid in upon the issuance of such stock acquisition rights per Section 246(2) of the Companies act.

(6) Value of assets to be contributed upon the exercise of stock acquisition rights

The value of assets to be contributed upon the exercise of stock acquisition rights will be the amount obtained by multiplying 1 yen, which is the per share value of assets corresponding to each share to be issued upon the exercise of the respective stock acquisition right, and the Number of Issued Shares as stated in (4) above.

(7) Period during which stock acquisition rights may be exercised

From August 8, 2017 to August 7, 2047

(8) Matters relating to capital stock or capital surplus to be increased in the event of issuance of shares upon the exercise of stock acquisition rights

- i. The amount of capital stock to be increased in the event of any issuance of shares upon the exercise of stock acquisition rights will be equal to one-half (1/2) of the maximum amount of capital increase, etc. calculated in accordance with Article 17(1) of the Company Accounting Rules, and any fraction resulting therefrom will be rounded up to the nearest yen.

- ii. The amount of capital surplus to be increased in the event of any issuance of shares upon the exercise of stock acquisition rights will be equal to the maximum amount of capital increase, etc. less the amount of capital to be increased under (i.) above.

(9) Restrictions on acquisition of stock acquisition rights by way of assignment

Any acquisition of stock acquisition rights by way of assignment will require the approval of the board of directors of the company.

(10) Grounds for acquisition of and conditions for exercise of stock acquisition rights

- i. If any holder of stock acquisition rights (hereafter "Holder") is no longer capable of exercising the stock acquisition rights along (12) below or should choose to forfeit the stock acquisition rights, the company may acquire, without consideration, the stock acquisition rights of the Holder.
- ii. Should the Holder breach the conditions stated within the Stock Acquisition Right Allotment Agreement, the company may acquire, without consideration, the stock acquisition rights of the Holder.

(11) Rounding down of fractional shares

Any fraction less than one share in the number of shares issued to those who has exercised stock acquisition right(s) will be rounded down to the nearest share.

(12) Condition for exercising stock acquisition rights

- i. A Holder may exercise stock acquisition rights within 10 days from the day immediately following the date on which the Holder loses the status as a director of the company or its subsidiaries, the Holder loses the status as executive officer (not being a director) of the company or its subsidiaries, or the Holder who is an executive officer becomes a director of the company or its subsidiary, except when a Holder who is an executive officer loses the status as a director or an executive officer of the company or its subsidiaries the Holder is loaned to.
- ii. Notwithstanding (i.) above, should the Holder not become eligible to exercise stock acquisition rights by August 7, 2046, the Holder may exercise stock acquisition rights from August 8, 2046 through August 7, 2049.
- iii. Upon the death of a Holder, the heir(s) of such Holder may succeed to and exercise any stock acquisition rights which have not been exercised as of the date of occurrence of any event constituting grounds for inheritance. However, matters such as conditions for the exercise of stock acquisition rights and the procedure for such exercise will be in accordance with the provisions of the Stock Acquisition Right Allotment Agreement mentioned in (iv.) below.
- iv. Other conditions for the exercise of stock acquisition rights will be in accordance with the provisions of the Stock Acquisition Right Allotment Agreement executed between the company and each Holder pursuant to any relevant resolution of the board of directors of the company.

(13) Delivery of stock acquisition rights in the event of merger, absorption-type company split, incorporation-type company split, share exchange or share transfer of the company

If the company merges (limited to where the company is dissolved as a result of the merger), or engages in an absorption-type company split or an incorporation-type company split, or effects share exchanges or share transfers (collectively “Act of Reorganization”), then, in each case, the company will, based on the conditions specified below, deliver to any applicable directors and officers who holds any remaining stock acquisition rights immediately before the effective date of the Act of Reorganization (the “Remaining Stock Acquisition Rights”), the stock acquisition rights of a stock corporation (the “Reorganized Company”) listed in Article 236(1)(viii)(a) through (e) of the Companies Act. In such case, any Remaining Stock Acquisition Rights will cease to exist and the Reorganized Company will newly issue stock acquisition rights. However, the foregoing will apply only if the relevant absorption-type merger agreement, incorporation-type merger agreement, absorption-type company split agreement, incorporation-type company split agreement, share exchange agreement or a share transfer plan provides that stock acquisition rights of the Reorganized Company will be delivered in line with the following conditions:

- a. Number of stock acquisition rights of the Reorganized Company to be delivered
Stock acquisition rights of the Reorganized Company will be delivered in the same number as the number of the Remaining Stock Acquisition Rights held at the time the Reorganized Company comes into effect.
- b. Type of shares of the Reorganized Company to be issued upon the exercise of stock acquisition rights
Ordinary stocks of the Reorganized Company
- c. Number of shares of the Reorganized Company to be issued or transferred upon the exercise of stock acquisitions
Number of Issued Shares will be properly adjusted to the extent necessary and reasonable taking into account factors such as any conditions for the Act of Reorganization. Any fraction less than one share resulting from adjustment will be rounded down to the nearest share.
- d. Value of assets contributed upon the exercise of stock acquisition rights
The value of assets to be contributed upon the exercise of stock acquisition rights will be the amount obtained by multiplying the exercise price after adjusting for any conditions for the Act of Reorganization and the Number of Issued Shares.
- e. Period during which stock acquisition rights may be exercised
Stock acquisition rights may be exercised between the latter of beginning of the period during which stock acquisition rights may be exercised stated in (7) above or the day of Act of Reorganization and the end of the period during which stock acquisition rights may be exercised stated in (7) above.
- f. Restrictions on acquisition of stock acquisition rights by way of assignment
Any acquisition of stock acquisition rights by way of assignment will require the approval of the board of directors of the Reorganized Company.

g. Condition for exercising stock acquisition rights

As per (12) above.

h. Grounds for acquisition of stock acquisition rights by the Reorganized Company

As per (10) above.

(14) Date of allotment of stock acquisition rights

August 7, 2017