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Dear Sirs and Mesdames

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## Itoham Yonekyu Group Announces New Medium-term Management Plan

The group today announced its new medium-term management plan “Medium-term Management Plan 2020” (hereafter “The Plan”) covering the five years from April 1, 2016.

The Plan places emphasis on growing product categories and sales channels (adhering to growing markets) while expanding current business. It also pursues the synergy effect, enhances competitiveness and reorganizes functions.

For the corporate image to push across, the group has set the following group principle. “Contribute to the realization of sound and affluent society through business.” In the final year of the Plan, the group shall attain net sales of 1 trillion yen, ordinary income of 30 billion yen and realize the group’s vision.

### 1. Corporate Image Targeted

Group Principle	Contribute to the realization of sound and affluent society through business.
Vision	A leading food company that continuously evolves with its employees by embracing the spirit of fairness and the challenge to progressions.
Action Guidelines	<ul style="list-style-type: none"><li>• Supply products and services of high value by pursuing safety, security and quality</li><li>• Build and expand trust by making good on promises</li><li>• Capacity development through broad-minded communication and mutual understanding</li><li>• Honest and transparent actions with top priority on compliance</li><li>• Business actions with awareness to global environment</li></ul>

## 2. Basic Strategies

Business Scale Expansion	Streamlining / Enhancement of Competitiveness
<p>Adhere to Growing Markets</p> <ul style="list-style-type: none"> <li>• Target growing product categories and sales channels</li> <li>• Expand overseas production and sales</li> </ul> <p>Expand current business</p> <ul style="list-style-type: none"> <li>• Increase share in ham/sausage</li> <li>• Increase domestic meat production</li> <li>• Reach actual demand through personnel and innovation</li> </ul>	<p>Optimization of production</p> <p>Streamline and enhance competitiveness in procurement operations</p> <p>Streamline and enhance competitiveness in logistical operations</p> <p>Reorganization of functions</p>

## 3. Performance Targets

	Year Ending March 2021 (plan)	Year Ending March 2016 (actual)
Net Sales	¥1,000.0 billion	¥817.4 billion
Ordinary Income (Synergy Effect)	¥30.0 billion ¥5.0 billion	¥18.2 billion
Ordinary Income Rate	3.0%	2.2%

### (Operating Segment Information)

	Year Ending March 2021 (plan)		Year Ending March 2016 (actual)	
	Net Sales	Operating Income	Net Sales	Operating Income
Processed Foods Division	¥400.0 billion	¥16.0 billion	¥276.3 billion	¥7.7 billion
Meat Division	¥600.0 billion	¥14.5 billion	¥539.7 billion	¥9.9 billion
Others/Adjustment	—	¥-1.5 billion	¥1.3 billion	¥-0.2 billion
Consolidated	¥1,000.0 billion	¥29.0 billion	¥817.4 billion	¥17.3 billion

\* Actuals for year ending March 20016 are sum of Itoham Foods Inc. and Yonekyu Co.  
Yonekyu results for year ending March 2016 comprise of 13 months.

#### 4. Investments and Returns to Shareholders

Capital Investments	¥83 billion including business scale expansion mentioned in the plan within the next 5 years
Returns to Shareholders	Targeted payout ratio of 30% with steady payout to the shareholders as the base

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.

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