

(Translated)

April 21, 2023

To whom it may concern

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Notice regarding Share Consolidation

Itoham Yonekyu Holdings Inc. (“the Company”) hereby announces that the Board of Directors has resolved at the meeting held today to submit a proposal for a share consolidation to the 7th Ordinary General Meeting of Shareholders scheduled on June 23, 2023, as described below.

1. Purpose of the share consolidation

This is to carry out a share consolidation on the basis of one for every five shares of the Company’s common stock (“Share Consolidation”).

The Company has issued 287,355,059 shares of common stock in total as of March 31, 2023, which is more than that of its comparable companies listed on the Tokyo Stock Exchange, and Share Consolidation is intended to improve such situation.

Share Consolidation is expected to make it easier to compare per-share indicators (e.g., earnings, net asset value) and stock price with other companies.

Also, as it is set in the dividend policy “to stably increase the payout ratio in the range of 30% to 50%, with a target of 40%”, the Company believes that Share Consolidation will enhance flexibility in implementing the shareholder return policy, such as enabling more detailed setting of dividend per share and considering interim dividend.

A unit of shares will remain unchanged as the current 100 shares, since trading unit of all domestic listed companies is unified as 100 shares on Japanese stock exchanges.

2. Details of Share Consolidation

(1) Type of shares subject to Consolidation

Common Stock

(2) Consolidation ratio

Five shares will be consolidated into one share.

(Based on the number of shares held by shareholders listed or recorded in the shareholder register as of September 30, 2023)

(3) Effective date

October 1, 2023

(4) Total number of authorized shares as of the effective date

200,000,000 shares

As of the effective date, the Articles of Incorporation stipulating the authorized shares will be amended as follows pursuant to Article 182, Paragraph 2 of Japan’s Companies Act.

(The underlined indicates amendments)

Current Articles of Incorporation	After amendment
Article 6 (Total number of authorized shares) The total number of authorized shares of the Company shall be <u>one billion</u> .	Article 6 (Total number of authorized shares) The total number of authorized shares of the Company shall be <u>two hundred million</u> .

(5) Number of shares to be reduced by Consolidation

(1) Total number of shares outstanding before Consolidation (as of March 31, 2023):	287,355,059 shares
(2) Number of shares to be reduced by Consolidation	229,884,047 shares
(3) Total number of shares outstanding after Consolidation	57,471,011 shares

(Note) “Number of shares to be reduced by Consolidation” and “Total number of shares outstanding after the Consideration” are theoretical figures based on the total number of issued shares before Consolidation and the Consolidation ratio.

3. Number of shareholders to be reduced by Consolidation

The following is the breakdown of shareholders based on the shareholder register as of March 31, 2023:

	Number of shareholders	Percentage	Number of shares held	Percentage
Total shareholders	58,644	100.000%	288,843,419 shares	100.000%
Shareholders holding less than 5 shares	6,442	10.984%	10,752 shares	0.001%
Shareholders holding 5 to less than 100 shares	2,689	4.585%	59,395 shares	0.002%
Shareholders holding 100 to less than 500 shares	8,267	14.096%	1,387,494 shares	0.480%
Shareholders holding 500 shares or more	41,246	70.332%	287,385,778 shares	99.495%

(Note) 3,511,640 treasury shares and one shareholder are not included.

As a result of Share Consolidation, 6,442 shareholders who hold less than 5 shares would lose their status as shareholders.

8,267 shareholders who hold 100 to less than 500 shares would lose opportunities to trade on exchanges as well as the right to vote at General Meetings of Shareholders.

Shareholders who would hold any fractional unit of shares may request the Company to sell a certain number of shares to the extent that the total can constitute one unit pursuant to Article 194, Paragraph 1 of the Companies Act and Article 10 of the Articles of Incorporation of the Company.

In addition, such shareholders may request the Company to buy back their fractional units of shares pursuant to Article 192, Paragraph 1 of the said act.

For specific procedures, please contact your broker or the Company’s shareholder register administrator.

4. Treatment of fractions less than one share

Any fractions less than one full share resulting from Share Consolidation shall be either collectively sold on market or purchased as treasury stock by the Company pursuant to Article 235 of the Companies Act, and the proceeds therefrom will be distributed to those shareholders in proportion to their fractional shares.

5. Conditions for Consolidation

Share Consolidation is subject to approval of the proposed share consolidation at the relevant Ordinary General Meeting of Shareholders.

6. Changes to the number of share acquisition rights granted

In connection with Share Consolidation, the number of share acquisition rights that have been issued and granted by the Company will be adjusted as follows from October 1, 2023, onwards:

Date of resolution for issuance (Category of qualified recipients)	Number of shares granted before adjustment	Number of shares granted after adjustment
1st series of share acquisition rights: July 11, 2008, as resolved by the Board of Directors, “the Board”. (Directors and Executive Officers of Itoham Foods Inc.)	4,000	800
2nd series of share acquisition rights: July 17, 2009, as resolved by the Board (Directors and Executive Officers of Itoham Foods Inc.)	4,000	800

3rd series of share acquisition rights: July 16, 2010, as resolved by the Board (Directors and Executive Officers of Itoham Foods Inc.)	4,000	800
4th series of share acquisition rights: July 15, 2011, as resolved by the Board (Directors and Executive Officers of Itoham Foods Inc.)	4,000	800
5th series of share acquisition rights: July 20, 2012, as resolved by the Board (Directors and Executive Officers of Itoham Foods Inc.)	4,000	800
6th series of share acquisition rights: July 22, 2013, as resolved by the Board (Directors and Executive Officers of Itoham Foods Inc.)	4,000	800
7th series of share acquisition rights: July 18, 2014, as resolved by the Board (Directors and Executive Officers of Itoham Foods Inc.)	4,000	800
8th series of share acquisition rights: July 17, 2015, as resolved by the Board (Directors and Executive Officers of Itoham Foods Inc.)	4,000	800
9th series of share acquisition rights: July 22, 2016, as resolved by the Board (Directors of the Company and Directors and Executive Officers of the Company's subsidiary)	32,000	6,400
10th series of share acquisition rights: July 21, 2017, as resolved by the Board (Directors of the Company and Directors and Executive Officers of the Company's subsidiary)	37,000	7,400

(Note) The Board resolution dates with respect to the 1st through 8th series of share acquisition rights refer to those at Itoham Foods Inc.

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Attachment: Q&A for Share Consolidation (as reference)

Q&A for Share Consolidation (as reference)

Q1. What is a share consolidation?

A1. A share consolidation is a corporate action, as set forth in the Companies Act, to combine a fixed number of existing shares into a smaller number of shares. This time, the Company plans to consolidate every five shares of common stock into one share.

Q2. What is the purpose of the share consolidation?

A2. The Company has issued 287,355,059 shares of common stock in total as of March 31, 2023, which is more than that of its comparable companies listed on the Tokyo Stock Exchange. To improve such situation, the Company has decided to carry out a 5-for-1 share consolidation (“Share Consolidation”) subject to approval of the shareholders at the relevant Ordinary General Meeting of Shareholders.

Share Consolidation is expected to make it easier to compare various per-share indicators (e.g., earnings, net asset value) and stock price with other companies.

Also, as it is set in the dividend policy “to stably increase the payout ratio in the range of 30% to 50%, with a target of 40%”, the Company believes that Share Consolidation will enhance flexibility in implementing the shareholder return policy, such as enabling more detailed setting of dividend per share and considering interim dividend.

Q.3 How will it affect the number of shares and voting rights held by each shareholder?

A3. After Share Consolidation, the number of shares held by the shareholders will be one-fifth of the number of shares recorded on the shareholder register as of September 30, 2023 (any fractions less than one share will be rounded down).

The number of voting rights will be one voting right per 100 shares to be held after Share Consolidation.

Specifically, the number of shares and the number of voting rights will be as follows:

	Before Consolidation		After Consolidation		
	Shares held	Voting rights	Shares held	Voting rights	Fractional shares
Example 1	10,000 shares	100 units	2,000 shares	20 units	None
Example 2	6,600 shares	66 units	1,320 shares	13 units	None
Example 3	1,234 shares	12 units	246 shares	2 units	0.8 shares
Example 4	500 shares	5 units	100 shares	1 unit	None
Example 5	123 shares	1 unit	24 shares	None	0.6 shares
Example 6	40 shares	None	8 shares	None	None
Example 7	4 shares	None	None	None	0.8 shares

(1) In case of Example 1 or 4

No specific procedures required.

(2) In case of Example 3, 5, or 7

Fractional shares resulting from Share Consolidation will be collectively disposed in accordance with the Companies Act, and the proceeds therefrom will be distributed to the relevant shareholders in proportion to their fractional shares.

Notification of such payment from the disposed fractions is scheduled to be sent around late November to early December of 2023.

(3) In case of Example 7

Share Consolidation will make all of the shares held fractional, and the relevant shareholders will lose opportunities to hold the shares in the Company.

(4) In case of Example 2, 3, 5, or 6

Any fractional unit of shares resulting from Share Consolidation (20 shares in Example

2, 46 shares in Example 3, 24 shares in Example 5, and 8 shares Example 6) can be eliminated, if desired, by using the programs for either selling the less-than-one unit of shares or purchasing additional shares up to one unit.

The disposition of fractional units of shares can be avoided as well by using such programs for either selling the less-than-one unit of shares or purchasing additional shares up to one unit before Share Consolidation takes effect.

For specific procedures, please contact your broker or our shareholder register administrator stated at the end hereof.

Q4. This share consolidation will reduce the number of shares I hold, but will it affect the asset value?

A4. Share Consolidation will reduce the number of shares you hold to one-fifth but increase the asset value per share proportionally by five times, because the Company's assets and capital accounts will remain the same before and after Share Consolidation. Therefore, apart from factors such as fluctuations in the stock market, Share Consolidation will not affect the asset value of the Company's shares you hold. The stock price after Share Consolidation should theoretically increase by five times compared to the price before Share Consolidation.

Q5. This share consolidation will reduce the number of shares I hold, but will it affect dividends to receive?

A5. Share Consolidation will reduce the number of shares you hold to one-fifth, but the Company will adjust dividend per share after Share Consolidation takes effect in order to avoid any change in the economic value of your shares as a result of it. Share Consolidation will not affect the total amount of dividends to receive.

Q6. How can I avoid having fractional shares?

A6. You can avoid the disposition of fractional units of shares by using programs for either selling the less-than-one unit of shares or purchasing additional shares up to one unit before Share Consolidation takes effect.

For specific procedures, please contact your broker or the Company's shareholder register administrator stated at the end hereof.

Please be informed that until the effective date of Share Consolidation, the Company will not charge any fees for using the programs for selling the less-than-one unit of shares as well as purchasing additional shares up to one unit.

Q7. This share consolidation will generate fractional units of shares, but will it be possible to request either to sell the less-than-one unit of shares or to purchase additional shares after the share consolidation?

A7. You may use the programs for selling the less-than-one unit of shares as well as purchasing additional shares up to one unit even after Share Consolidation in the same manner as before.

For specific procedures, please contact your broker or our shareholder register administrator stated at the end hereof.

Q8. How will the share consolidation affect the investment unit (the minimum investment amount)?

A8. Taking an example of the closing price of 709 yen as of April 18, 2023, on the Tokyo Stock Exchange, the investment unit before Share Consolidation is as follows:

Pre-consolidation 709 yen/share x 100 shares = 70,900 yen

Given this stock price, the investment unit after Share Consolidation will theoretically be as follows:

Post-consolidation 3,545 yen/share x 100 shares = 354,500 yen

*The stock price will theoretically increase by five times as a result of Share Consolidation.

Q9. What is the specific schedule?

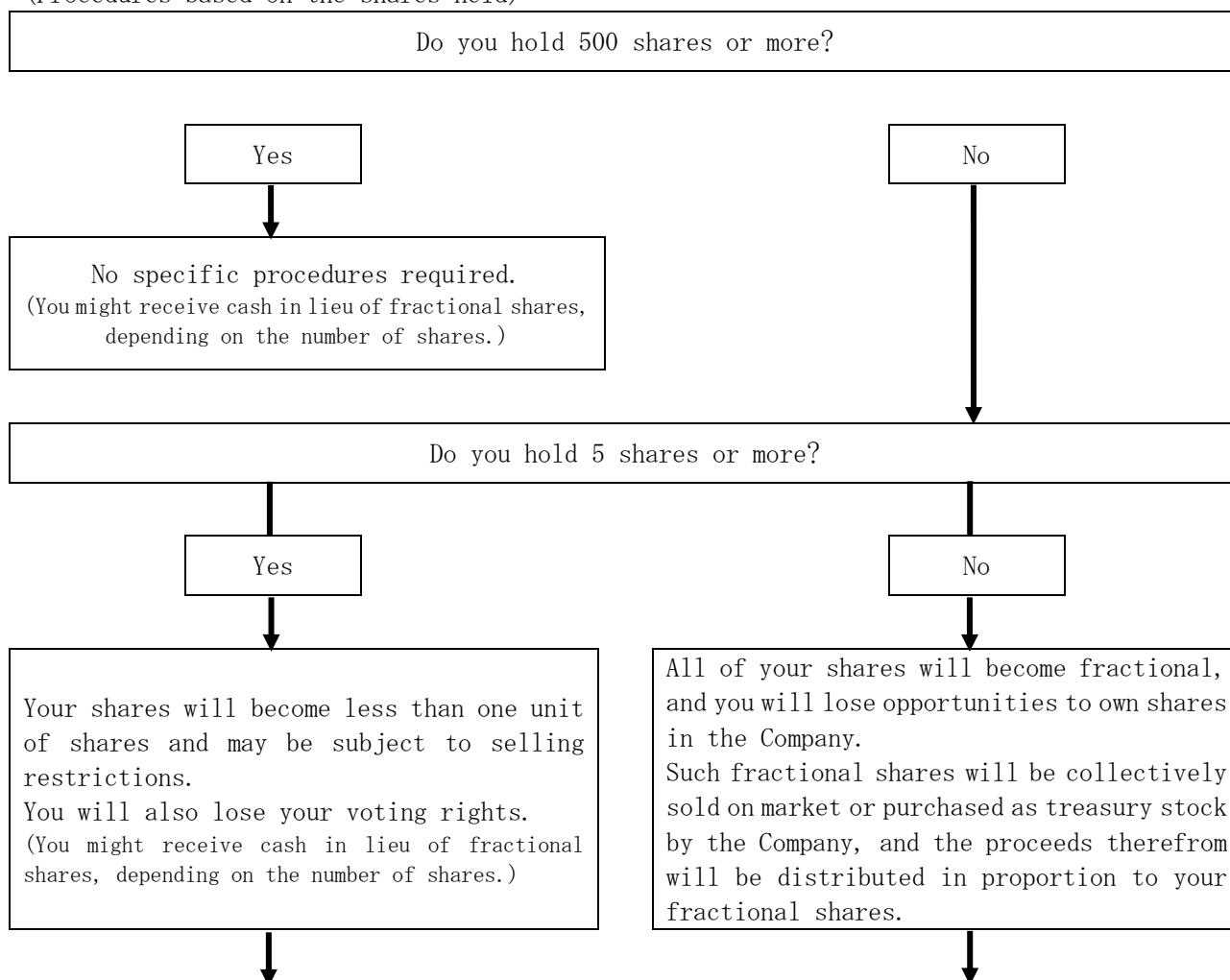
A9. The schedule is planned as follows:

April 21, 2023	Date of the Board of Directors meeting
June 23, 2023 (scheduled)	Date of the Ordinary General Meeting of Shareholders
September 30, 2023 (scheduled)	Record date of Share Consolidation
October 1, 2023 (scheduled)	Effective date of Share Consolidation
Late October 2023 (scheduled)	Date of sending notice on allotment of consolidated shares to shareholders
Late November to Early December 2023 (scheduled)	Payment for the disposition of fractional shares

Q10. Is there any procedure necessary for the share consolidation?

A10. Please see the chart below:

(Procedures based on the shares held)



To avoid such inconvenience, the Company offers programs whereby you can request to sell the less-than-one unit of shares or purchase additional shares up to one unit of shares. By using these programs, you can either make your fractional shares one unit of shares or avoid a distribution of the proceeds from the disposition of fractional shares. For specific procedures, please contact your broker or Sumitomo Mitsui Trust Bank which is our shareholder register administrator.

[Contact information regarding the programs for selling or additional purchasing of fractional units of shares]

Shareholder register administrator: Sumitomo Mitsui Trust Bank, Limited
Contact: Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Agency Business Planning Department
2-8-4 Izumi, Suginami-ku, Tokyo, 168-0063
Toll-free 0120-782-031 (Domestic), available for 9:00-17:00
(except Saturdays, Sundays, and national holidays)

Q11. How will this share consolidation affect the Shareholder Incentives Program?

A11. The criteria for the Shareholder Incentives Program would be changed as follows in accordance with the Consolidation ratio.

The new criteria will be applied starting from shipment of the notification to shareholders as of March 31, 2024, as listed or recorded in the shareholder register.

Number of shares held	
Before Consolidation (current)	After Consolidation (new)
1,000 shares or more	200 shares or more

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