February 20, 2018

Company Name: MEGMILK SNOW BRAND Co., Ltd.
Representative: Keiji Nishio, Representative Director and President
(Stock code: 2270, TSE 1st Section/SSE)
Contact: Shigeru Watanabe,
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Notice on Establishment of Third-Party Committee

On February 15, our consolidated subsidiary SNOW BRAND SEED Co., Ltd. (main office: Sapporo; President: Masahito Akaishi, hereinafter, SNOW BRAND SEED) was issued a Report Collection Order by the Ministry of Agriculture, Forestry, and Fisheries (MAFF) in accordance with Article 65 of the Plant Variety Protection and Seed Act requiring the submission of a report no later than March 29.

We take this Report Collection Order from MAFF very seriously. To ascertain facts relevant to this situation, we have established a third-party committee comprised solely of external parties who are completely independent of MEGMILK SNOW BRAND, SNOW BRAND SEED, or any Group affiliate companies. We have requested that this third-party committee conduct an objective and thorough investigation and provide recommendations for reoccurrence prevention measures.

Description

1. Purpose of establishment

To conduct a thorough investigation by a third-party committee comprised solely of external parties who are completely independent of MEGMILK SNOW BRAND, SNOW BRAND SEED, or any Group affiliate companies, to conduct a cause analysis and an objective assessment of the situation based on the knowledge and experience of experts, and to provide recommendations for reoccurrence prevention measures.

2. Primary entrusted matters

(1) Investigation of facts concerning labeling in violation of the Plant Variety Protection and Seed Act (illegal labeling)

(2) Investigation to identify any duty violations other than the illegal labeling
(3) Cause and background analysis related to (1) and (2) above
(4) Recommendations for reoccurrence prevention measures

3. Committee structure (honorifics omitted, no specific order)

Committee chairperson: Fukutaka Hashimoto (Attorney)

Committee member: Iwao Taka (Professor, Economics and Business, Chikuro Hiroike School of Graduate Studies, Reitaku University)

Committee member: Tetsuya Imamura (Associate Professor, School of Information and Communications, Meiji University)

The selection of the above committee members was conducted based on the “Guideline for Independent Committees relating to Company Scandals” published by the Japan Federation of Bar Associations (revised December 17, 2010).

4. Future response

MEGMILK SNOW BRAND and SNOW BRAND SEED will cooperate fully with this third-party investigation and issue a report to MAFF based on the findings of the third-party committee.

(Reference) Committee member profiles

Fukutaka Hashimoto

1979: Registered attorney
2008: Managing partner of Tokyo Hatchobori Law Office (until March 2013)
2012: Chairman of Daini Tokyo Bar Association (until March 2013)

Iwao Taka

1995: Earned Ph. D. in Commercial Science from Waseda University
2008: Awarded International Compliance & Ethics Award by the Society of Corporate Compliance and Ethics
2017: Named chair of the Cabinet Office Consumer Commission

Tetsuya Imamura

2012: Earned Ph. D. (legal affairs) from Waseda University
2014: Specialist member of Copyrights Subdivision of the Culture Council
2017: Director on the board of the Japan Association of Industrial Property Law