May 2, 2018

Company Name: MEGMILK SNOW BRAND Co., Ltd.
Representative: Keiji Nishio, Representative Director and President
(Stock code: 2270, TSE 1st Section/SSE)
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Receipt of "Compliance with Recurrence Prevention Measures in SNOW BRAND SEED Co., Ltd."

MEGMILK SNOW BRAND announces that our consolidated subsidiary SNOW BRAND SEED Co., Ltd. (main office: Sapporo; President: Mitsuo Takayama; hereinafter "SNOW BRAND SEED") has today received an additional Report Collection Order for "Compliance with Recurrence Prevention Measures in SNOW BRAND SEED Co., Ltd." from the Minister of Agriculture, Forestry and Fisheries.

As described in the report submitted to the Ministry of Agriculture, Forestry and Fisheries (MAFF) on April 27, in addition to violating the Plant Variety Protection and Seed Act (e.g. certificate labeling), SNOW BRAND SEED falsified breeds over a long period of time and attempted to conceal that. We take this situation very seriously. We would like to once again express our sincerest apologies for the inconvenience we have caused all our customers, concerned officials and other stakeholders.

We have solemnly accepted the content of the "Compliance with Recurrence Prevention Measures in SNOW BRAND SEED Co., Ltd." we have now received from the Minister of Agriculture, Forestry and Fisheries. All our employees will now work tirelessly to implement the recurrence prevention measures proposed by the third-party committee in their entirety while complying with the points below.

Moreover, the MEGMILK SNOW BRAND Group will once again strengthen the governance structure over our entire group and work as one on drastic measures in SNOW BRAND SEED to prevent the recurrence of such problems in the future.

1. We take seriously the findings of the “Investigation Report on Violations of the Plant Variety Protection and Seed Act” by the third-party committee established by SNOW BRAND SEED. We will work to strengthen compliance over our entire group, starting with our company. The whole company will continue to make tireless efforts to implement the recurrence prevention measures in their entirety.
2. We will make a report in writing on the situation concerning the implementation of the recurrence prevention measures and the status of our response to livestock farmers with regards to illegal labeling and breed falsification found in the report that was submitted to MAFF by SNOW BRAND SEED based on the provisions in Article 65 of the Plant Variety Protection and Seed Act by July 31, 2018. We will then report on the situation concerning our subsequent continuous implementation of these measures by the deadline indicated separately every three months thereafter. (The next report is due by the end of October 2018.)