

## **Notice of establishment of Employee Stock Ownership Plan (ESOP) Trust**

**Tokyo, February 25, 2014**—At a board meeting held today, the directors of CALBEE, Inc. (hereafter “CALBEE”) resolved to launch an Employee Stock Ownership Plan (ESOP) Trust as an employee incentive while aiming to improve corporate value across the Group over the long term.

**Details are as follows:**

**1. Objective of the ESOP Trust**

The ESOP Trust will be implemented as a Group employee (hereafter “employee”) incentive plan with the aim of improving long-term corporate value. By raising awareness of our financial results and share price among employees, we aim to further promote corporate activities that improve financial results.

**2. Overview of the ESOP Trust**

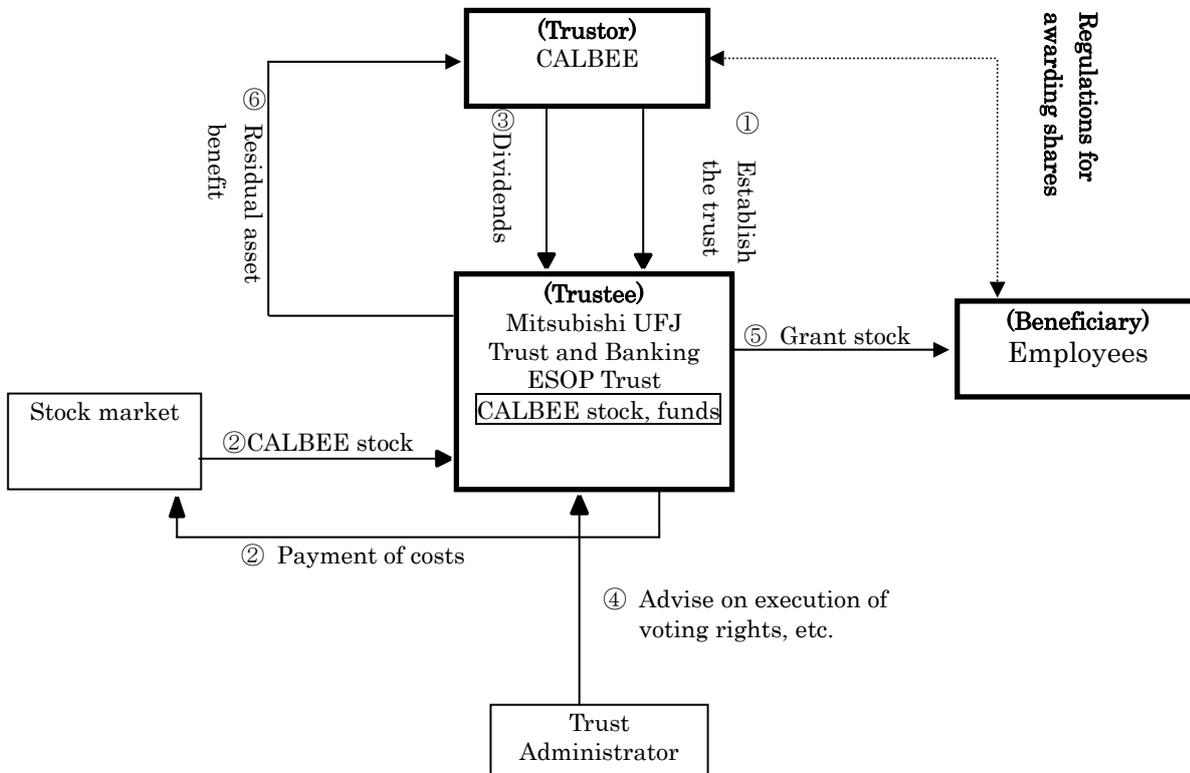
The ESOP Trust is a trust styled employee incentive plan that aims to expand reward systems for employees through company stock and is similar to the Employee Stock Ownership Plan in the U.S.

CALBEE will establish the Trust by contributing funds for acquisition of CALBEE stock for those employees who satisfy certain requirements. Based on predetermined regulations for awarding stock, the Trust will acquire the estimated number of CALBEE stocks to be awarded to employees from the stock market during the predetermined stock acquisition period. Funds required for the Trust to purchase the aforementioned stocks will be provided by CALBEE. The employees will bear no liabilities.

Introducing the Trust will enable employees to profit from a rise in stock prices, and will promote awareness of the stock price among employees as they execute their duties and is thereby expected to improve employee motivation. Further, voting rights for company stock held in the trust will be used within a structure that will reflect the will of the candidate beneficiary employee and is an effective way to improve corporate value by promoting employee participation in management planning.

The introduction of a trust styled incentive plan for board members is also scheduled for consideration at the General Meeting of Shareholders in June. Details of the incentive plan introduction date and content will be provided pending its adoption.

### 3. ESOP Trust Structure



1. CALBEE will establish the ESOP Trust with funds for beneficiaries who are employees who satisfy the beneficiary requirements.
2. Under the direction of the fund administrator, the ESOP Trust will acquire the estimated number of shares for awarding beneficiaries during the trust period from the stock market during the predetermined acquisition period.
3. As a CALBEE shareholder, the ESOP Trust will receive dividends.
4. Throughout the trust period, the Trust Administrator of the ESOP Trust will provide guidance on the execution of rights as a shareholder such as with the right to shareholder votes, and the ESOP trust will accordingly execute those rights as a shareholder.
5. In line with the regulation for granting stocks, employees who satisfy certain requirements will receive CALBEE stock.
6. Upon liquidation of the ESOP Trust, CALBEE retains the right to claim residual assets after beneficiaries have been awarded stocks.

For reference:

Overview of trust agreement

|                              |  |
|------------------------------|--|
| 1. Type of trust             | Monetary Trust other than a specified solely administered monetary trust (Third Party Beneficiary Trust)   |
| 2. Purpose of trust          | Provide incentives to employees who satisfy beneficiary requirements   |
| 3. Trustor                   | CALBEE, Inc.   |
| 4. Trustee                   | Mitsubishi UFJ Trust and Banking Corporation (Joint trustee: The Master Trust Bank of Japan, Ltd.)   |
| 5. Beneficiary               | Employees who satisfy beneficiary requirements   |
| 6. Trust administrator       | Third party with no Company or financial relations   |
| 7. Trust indenture date      | March 7, 2014  |
| 8. Trust period              | March 7, 2014 to September 30, 2017 (plan)   |
| 9. Plan launch date          | March 31, 2014   |
| 10. Excise of voting rights  | The trustee uses the voting rights of the stocks as directed by the administrator who reflects the voting rights exercised by the beneficiaries. |
| 11. Type of stock            | Common CALBEE shares   |
| 12. Amount of stock          | 260 million yen  |
| 13. Stock acquisition period | March 10, 2014 to March 20, 2014 (plan)  |
| 14. Stock acquisition method | Acquire on stock market  |

\*\*\*ENDS\*\*\*