



August 9, 2022

Company name: Morinaga Milk Industry Co., Ltd.  
 5-33-1 Shiba, Minato-ku, Tokyo  
 Representative: Yohichi Ohnuki,  
 President & Representative Director  
 (Code: 2264, Prime Market of the Tokyo Stock Exchange)

### (Additional Disclosure) Notice Regarding Approval of Share Purchase Agreement

The Company's Board of Directors resolved, at the meeting held today, to approve the execution of a Share Purchase Agreement to acquire ordinary shares of NutriCo Morinaga (Private) Limited (hereinafter, 'NutriCo Morinaga') from its existing shareholders. Following closing/completion of the acquisition, NutriCo Morinaga shall become the Company's subsidiary, as announced in "Conclusion of a Memorandum of Understanding to Acquire Shares (Acquire a Subsidiary)" dated July 14, 2022.

#### 1. Profile of subsidiary undergoing change (As of June 30, 2022)

(1) Company name	NutriCo Morinaga (Private) Limited		
(2) Head office address	ICI House, 5 West Wharf, Karachi, Pakistan		
(3) Representative	Asif Jooma, Chief Executive		
(4) Business	Import, production, and sales of infant and toddler formula		
(5) Capital	PKR 8,212,500,000 (JPY 5,338,125,000)*1		
(6) Establishment	March 6, 2017		
(7) Major shareholders and shareholding ratios	1) ICI Pakistan Limited: 51.00% 2) Morinaga Milk Industry Co., Ltd.: 17.73% 3) Unibrands (Private) Limited: 13.07%		
(8) Relationship between the listed company and the subsidiary undergoing change	Capital	The company potentially undergoing change is an affiliate of the Company.	
	Personnel	One director has been dispatched from the Company.	
	Trading	The Company has the following trading relationships with the company undergoing change: 1) Sales of the Company's infant and toddler formula 2) Sales of ingredients for infant and toddler formula 3) Trademark licensing and technical assistance agreements	
(9) Financial status and business results of the company undergoing change for the past three years*1, 2, 3, 4			
Fiscal year	FYE June 2020	FYE June 2021	FYE June 2022
Net assets	PKR 5,947,662,938 JPY 3,865,980,909	PKR 5,830,000,236 JPY 3,789,500,153	PKR 6,629,499,000 JPY 4,309,174,000
Total assets	PKR 13,751,137,923 JPY 8,938,239,649	PKR 13,908,803,742 JPY 9,040,722,432	PKR 14,661,623,000 JPY 9,530,054,000
Net assets per share	PKR 72.42 JPY 47.07	PKR 70.99 JPY 46.14	PKR 80.72 JPY 52.47
Net sales	PKR 10,498,087,614 JPY 6,823,756,949	PKR 12,557,376,577 JPY 8,162,294,775	PKR 13,894,657,000 JPY 9,031,527,000
Operating income	PKR 1,474,633,700 JPY 958,511,905	PKR 1,157,725,731 JPY 752,521,725	PKR 1,917,648,000 JPY 1,246,471,000
Profit	PKR 800,654,387 JPY 520,425,351	PKR 582,337,298 JPY 378,519,243	PKR 799,499,000 JPY 519,674,000

Profit per share	PKR 9.75 JPY 6.34	PKR 7.09 JPY 4.61	PKR 9.74 JPY 6.33
Dividend per share	PKR 24.35 JPY 15.83	PKR 20.70 JPY 13.46	PKR 0.00 JPY 0.00

\*1 Amounts are converted to JPY using the exchange rate of PKR 1 = JPY 0.65.

\*2 NutriCo Morinaga merged with NutriCo Pakistan (Private) Limited with effect from July 1, 2021. The financial status and business results for FYE June 2020 to FYE June 2022, therefore, represent the combined results for NutriCo Morinaga and NutriCo Pakistan (Private) Limited.

\*3 Figures represented in “The financial status and business results for FYE June 2020 to FYE June 2022 are based on the local accounting standards adopted by NutriCo Morinaga, therefore, “Ordinary Income” which is common in Japan’s accounting standards is not listed.

\*4 Since the latest financial information is obtained, the business results for the FYE June 2022 are listed.

## 2. Number of shares to be acquired, acquisition cost, and status of shareholding before and after the acquisition

(1) Number of shares owned by the Company before the change	14,563,500 shares (Number of voting rights: 14,563,500, percentage of voting rights: 17.73%)
(2) Number of shares to be acquired	27,322,987 shares (Number of voting rights: 27,322,987)
(3) Acquisition cost	Total share acquisition cost: USD 57,003,000 (JPY 7,695,405,000)*5, 6
(4) Number of shares owned by the Company after the change	41,886,487 shares (Number of voting rights: 41,886,487, percentage of voting rights: 51.00%)

\*5 “Acquisition cost” includes advisory fees approximately JPY 60,000,000.

\*6 Amounts are converted to JPY using the exchange rate of USD 1 = JPY 135.

## 3. Change schedule

(1) Date of concluding memorandum of understanding	July 15, 2022
(2) Date of resolution of the Company’s Board of Directors	August 9, 2022
(3) Date of execution of Share Purchase Agreement	August 26, 2022 (Planned)
(4) Date of change in subsidiary Effective date of transfer of shares	Undecided

## 4. Future outlook

This change will have an immaterial effect on the Company’s consolidated results for the current fiscal year.

Disclaimer: This English translation is provided for the benefit of readers. In the case that discrepancies exist between the original Japanese version and the English translation, precedence goes to the original Japanese version.