



February 10, 2023

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)

Notice Regarding Acquisition of U.S. Company Turtle Island Foods, Holdings, Inc. (Acquisition of a Subsidiary)

The Company's Board of Directors resolved at a meeting held today that the Company's consolidated subsidiary Morinaga Nutritional Foods, Inc. (head office: California, United States; President & CEO: Hiroyuki Imanishi) will acquire all of the shares of Turtle Island Foods Holdings, Inc. (hereinafter, "Turtle Island Foods"), a holding company that holds 100% of the shares of Turtle Island Foods, SPC (head office: Oregon, United States; President & CEO: Jamie Athos), a plant-based foods (PBF) manufacturing company in the United States (hereinafter, the "Transaction"). A share transfer agreement will be concluded, as described below. As a result of the Transaction, Turtle Island Foods will become a wholly owned subsidiary of Morinaga Nutritional Foods, Inc.

1. Background and purpose of the Transaction

As part of the Morinaga Milk Group 10-year Vision, the Company aims to become a global company that exerts a unique presence worldwide (with a global business sales ratio of at least 15% by the fiscal year ending March 31, 2029). In addition, one of the Company's global business policies is to expand the PBF business in North America.

The Company began the export and sale of tofu from Japan to the United States in 1978. As the sales volume grew, it established its United States subsidiary Morinaga Nutritional Foods, Inc. in 1985, and commenced local production. It has continued to engage in the tofu business in the United States for over 40 years.

Turtle Island Foods is engaged in the business of manufacturing and selling PBF using ingredients sourced from soybeans, centered in the United States. As a company that balances "delicious and pleasurable food" with "health and nutrition," its aims correspond to the future direction of the Morinaga Milk Group. With the Tofurky brand, which is well-recognized across the United States, and a nationwide sales network, the Company believes that Turtle Island Foods is a promising company that will be highly synergistic to its future growth. The United States has a large population, currently numbering 330 million people, and is expected to continue to experience economic growth in the future. The United States PBF market in particular, including tofu, is anticipated to continue to enjoy sustained growth. The Company perceives huge potential in this market, and aims to further expand its PBF business in the United States by the Transaction, and knowledge cultivated to date.

2. Method of the Transaction

Morinaga Nutritional Foods, Inc. will acquire all of the shares of Turtle Island Foods.

3. Profile of United States subsidiary (Morinaga Nutritional Foods, Inc.)

(1) Company name	Morinaga Nutritional Foods, Inc.
(2) Head office address	3838 Del Amo Blvd., Suite 201, Torrance, CA 90503
(3) Representative	Hiroyuki Imanishi, President & Chief Executive Officer
(4) Business	Manufacture and sales, mainly of long-life tofu
(5) Capital	USD 21,500 thousand

4. Profile of sub-subsidiary undergoing change (Turtle Island Foods Holdings, Inc.)

(1) Company name	Turtle Island Foods Holdings, Inc.
(2) Head office address	20 Old Creamery Road, Trout Lake, Washington, 98650, United States of America
(3) Representative	President & Chief Executive Officer Jaime Athos
(4) Business	Holding company for a company engaged in the manufacture and sale of plant-sourced meat, chicken, etc.
(5) Capital	USD 10 thousand
(6) Establishment	April 27, 2022

(7) Major shareholders and shareholding ratios	Disclosure of details is omitted, as this is a trust established by and for individuals		
(8) Relationship with the Company	Capital	None	
	Personnel	None	
	Trading	No significant trading relationship	
(9) Financial status and business results of the company undergoing change for the past three years			
Fiscal year	FYE December 2019	FYE December 2020	FYE December 2021
Net assets	USD 8,724 thousand	USD 6,543 thousand	USD 2,448 thousand
Total assets	USD 34,467 thousand	USD 34,579 thousand	USD 33,783 thousand
Net assets per share	USD 2,028	USD 1,521	USD 569
Net sales	USD 38,890 thousand	USD 46,913 thousand	USD 42,367 thousand
Operating profit	USD (2,392) thousand	USD (367) thousand	USD (4,209) thousand
Profit	USD (3,029) thousand	USD (1,951) thousand	USD (4,095) thousand
Basic earnings per share	USD (704)	USD (453)	USD (952)
Dividend per share	-	USD 53	-

Note: Turtle Island Foods Holdings, Inc. was established on April 27, 2022. As no consolidated indicators, etc. have yet been established, the table above shows the financial information for its subsidiary Turtle Island Foods, SPC.

5. Profile of counterparty to the acquisition of shares

Disclosure of details of the counterparty to the acquisition of shares has been omitted, as it is a trust established by and for individuals. The shareholders of the counterparty have no capital, personal, or trading relationships with the Company, and do not correspond to affiliated parties of the Company.

6. 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	-
(2) Number of shares to be acquired	Class A shares: 430 shares, Class B shares: 3,870 shares
(3) Acquisition cost	Cost of shares and advisory expenses, etc. (estimate): USD 12.4 million
(4) Number of shares owned by the Company after the change	Class A shares: 430 shares, Class B shares: 3,870 shares (Percentage ownership: 100%)

7. Change schedule

(1) Date of resolution of the Company's Board of Directors	February 10, 2023
(2) Date of conclusion of share transfer agreement for the Transaction	February 10, 2023
(3) Date of change / Date of share acquisition	February 10, 2023 (Local time in the United States)

8. 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.