

April 11, 2019

Company name: Morinaga Milk Industry Co., Ltd.  
5-33-1 Shiba, Minato-ku, Tokyo  
Representative: Michio Miyahara,  
President & Representative Director  
(Code: 2264 First Section of the Tokyo Stock Exchange)

## Notice Regarding Transfer of Fixed Assets (Beneficial Interest in Trust) of a Consolidated Subsidiary of the Company

Morinaga Milk Industry Co., Ltd. (hereafter “the Company”) hereby announces that the Board of Directors, at its meeting held on April 11, 2019, resolved to transfer fixed assets (beneficial interest in trust) owned by MM Property Funding Corp., a consolidated subsidiary of the Company. Details are as follows.

### 1. Reason for the transfer

For quite some time, the Company has been studying ways to maximize the asset value of Morinaga Plaza Building, which is located at the west exit of JR Tamachi Station, and promote coexistence with the local community. The decision to transfer the beneficial interest in trust on the said property is made with a view to strengthening coordination still further.

### 2. Description of the assets to be transferred

|  |   |
|--|---|
| Description and location of the assets | Morinaga Plaza Building<br>33-1 Shiba 5-chome, Minato-ku, Tokyo<br>Land: 6,137.38 m <sup>2</sup> Building: 47,270.96 m <sup>2</sup> |
| Transfer ratio                         | 50.1% (post transfer: MM Property Funding Corp.’s interest 49.9%)   |
| Transfer price                         | *1  |
| Book value                             | *1  |
| Gain on transfer (planned)             | ¥7 billion *2   |
| Current status                         | Partly used by the Company and partly leased  |

\*1 Transfer price and book value are not disclosed due to agreement with the transferee.

Note that the book value is less than 30% of consolidated net assets.

\*2 Gain on transfer is an approximate amount based on transfer price less book value and estimated amount of expenses relating to the transfer, etc.

### 3. Overview of the transferee

|   |  |   |
|---|--|---|
| Name  | Mitsui Fudosan Co., Ltd.                               |   |
| Location  | 1-1, Nihonbashi-Muromachi 1-chome, Chuo-ku, Tokyo      |   |
| Name of Representative  | Masanobu Komoda, President and Chief Executive Officer |   |
| Description of Business   | Real estate business, etc.                             |   |
| Capital   | ¥339,766 million (as of March 31, 2018)                |   |
| Date of establishment   | July 15, 1941  |   |
| Net assets  | ¥2,287,700 million (as of March 31, 2018)              |   |
| Total assets  | ¥6,301,288 million (as of March 31, 2018)              |   |
| Major shareholders and shareholding ratios (excluding treasury stock) | The Master Trust Bank of Japan, Ltd. (Trust account)   | 8.76%                                       |
|   | Japan Trustee Services Bank, Ltd. (Trust account)      | 7.17%                                       |
| Relationship with the Company   | Capital relationship                                   | There are no pertinent matters to be noted. |
|   | Personnel relationship                                 | There are no pertinent matters to be noted. |
|   | Transactional relationship                             | There are no pertinent matters to be noted. |
|   | Interested party status                                | There are no pertinent matters to be noted. |

### 4. Schedule of the transfer

|  |                              |
|--|------------------------------|
| (1) Date of resolution by the Board of Directors | April 11, 2019               |
| (2) Date of the agreement                        | April 11, 2019               |
| (3) Property handover date                       | December 3, 2019 (scheduled) |

### 5. Future outlook

The transfer of the said fixed asset will have no effect on the Company's consolidated financial results for the fiscal year ended March 2019.

It is expected that a gain on sales of fixed assets of approximately 7 billion yen will be posted as extraordinary income in the consolidated financial results for the third quarter of the fiscal year ending March 2020.

### 6. Overview of the consolidated subsidiary

|                         |   |
|-------------------------|---|
| Name                    | MM Property Funding Corp.               |
| Location                | 33-1 Shiba 5-chome, Minato-ku, Tokyo    |
| Name of Representative  | Akihiro Nozaki, Representative Director |
| Description of business | Property leasing business               |
| Capital                 | ¥10 million                             |

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.