



April 28, 2021

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 and Recognition of Extraordinary Income

Morinaga Milk Industry Co., Ltd. (hereinafter, “the Company”) hereby announces that the Board of Directors, at its meeting held on April 28, 2021, resolved to transfer the fixed assets (land) as described below. Note that Morinaga Milk Business Services Co., Ltd., a consolidated subsidiary of the Company, also resolved to transfer the fixed assets (building).

1. Reason for the transfer

The decision to transfer the fixed assets has been made with a view to making effective use of management resources and increasing asset efficiency.

2. Description of the assets to be transferred

Description and location of the assets	8-1, Konan 3-chome, Minato-ku, Tokyo
	Land (owned by Morinaga Milk Industry Co., Ltd.) 3,185.08 m ²
	Building (owned by Morinaga Milk Business Services Co., Ltd.) 19,434.13 m ²
Transfer price	*1
Book value	*1
Gain on transfer (planned)	4 billion yen*2
Current status	Used by the Group and under lease

*1 Transfer price and book value are not disclosed in complying with the transferee’s intention.

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

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

Gain on transfer comprises approximately 3.7 billion yen for Morinaga Milk Industry Co., Ltd. and approximately 0.3 billion yen for Morinaga Milk Business Services Co., Ltd.

3. Overview of the transferee

Name	Sumitomo Realty & Development Co., Ltd.
Location	4-1, Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo
Name of Representative	Kojun Nishima, Representative Director and President
Description of Business	Real estate business, etc.

Capital	¥122,805 million (as of March 31, 2020)	
Date of establishment	December 1, 1949	
Net assets	¥1,254,425 million (as of March 31, 2020)	
Total assets	¥4,848,107 million (as of March 31, 2020)	
Major shareholders and shareholding (excluding treasury stock)	The Master Trust Bank of Japan, Ltd. (Trust account)	9.76%
	Japan Trustee Services Bank, Ltd. (Trust account)	5.64%
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 28, 2021
(2) Date of the agreement	May 2021 (scheduled)
(3) Property handover date	June 2021 (scheduled)

5. Future outlook

It is expected that a gain on sales of fixed assets of approximately 4 billion yen will be posted as extraordinary income in the consolidated financial results for the first quarter of the fiscal year ending March 2022. The gain comprises approximately 3.7 billion yen for Morinaga Milk Industry Co., Ltd. and approximately 0.3 billion yen for Morinaga Milk Business Services Co., Ltd.

6. Overview of the consolidated subsidiary

Name	Morinaga Milk Business Services Co., Ltd.
Location	4-22 Meguro 4-chome, Meguro-ku, Tokyo
Name of Representative	Yasushi Yamanaka, Representative Director and President
Description of business	Real estate business, leasing business, insurance agency business, etc.
Capital	¥100 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.