

September 21, 2021

Notice of Drink Yogurt Production Line Expansion

Morinaga Milk Industry Co., Ltd. (hereinafter, “Morinaga Milk”) hereby announces an additional production line for drink yogurt at its Tone Plant to enhance the production system for functional yogurt.

1. Details of expanded facilities

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| (1) Plant name: | Tone Plant |
| (2) Details of facilities: | Expansion of drink yogurt production line |
| (3) Products manufactured: | “Triple Yogurt” (drink type),
“Bifidus Yogurt Improves Bowel Movement” (drink type),
“Memory Bifidus Memory Protection Yogurt” (drink type),
and other single serving-sized products |
| (4) Production capacity: | Single serving drink yogurt production capacity at Tone Plant
Approx. 200% compared with fiscal 2020 |
| (5) Planned investment amount: | Approx. JPY 2.5 billion |
| (6) Start of construction and operation: | Start of construction in August 2021,
and planned start of operation in May 2022 |

2. Overview of Tone Plant

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| Location: | 4013-1, Uchimoriya-machi, Joso-shi, Ibaraki, Japan |
| Establishment: | February 1973 |
| Products manufactured: | Yogurt, chilled desserts, Soft Mix, bacteria |

3. Background and purpose

In the Morinaga Milk Group 10-year Vision established in 2018, Morinaga Milk set a vision for itself as a company that balances “delicious and pleasurable food” with “health and nutrition,” and is promoting product research and development under the theme of extending healthy lifespans in preparation for the era when people will commonly live to the age of 100.

Our functional yogurt products have performed well in recent years, and signature products such as the Triple Yogurt series and the Bifidus Yogurt Improves Bowel Movement series grew approximately 150% and 300%, respectively, in fiscal 2021 compared with the previous fiscal year.(*). In addition, we will launch the Memory Bifidus Memory Protection Yogurt series in October 2021, and hope to contribute further to resolving issues faced by consumers through food. We will expand the production line for drink yogurt to further develop Morinaga Milk’s functional yogurt business.

* Comparison of Morinaga Milk’s Shipment Value in April–June 2021 to April–June 2020