



Morinaga Milk Group

Medium-Term Business Plan 2025–2028
(from FYE March 2026 to FYE March 2029)

Medium-Term Business Plan 2025–2028



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Medium-Term Business Plan 2022–2024 in Review (Management Indicators)



- Despite falling short of revised forecast, initial forecasts for net sales and operating profit were achieved, and overseas sales ratio target was also more or less accomplished
- ROE improved due to sales of idle assets and acquisition of treasury shares, but fell significantly short due to impairment losses in final fiscal year

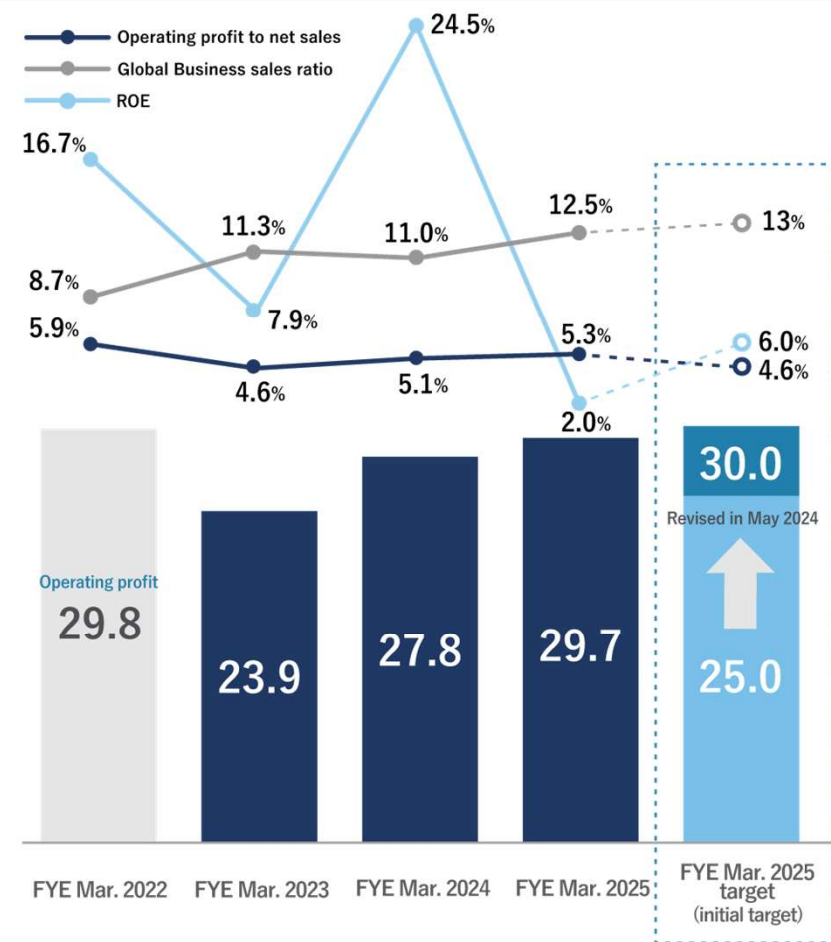
Companywide financial indicators

	FYE Mar. 2022	FYE Mar. 2023	FYE Mar. 2024	FYE Mar. 2025	(Initial target) FYE Mar. 2025 (Published Nov. 2022)	(Revised target) FYE Mar. 2025 (Published May 2024)
Net sales	503.4	525.6	547.1	561.2	540.0	570.0
Operating profit	29.8	23.9	27.8	29.7	25.0	30.0
Operating profit to net sales	5.9%	4.6%	5.1%	5.3%	4.6%	5.3%
Global Business sales ratio	8.7%	11.3%	11.0%	12.5%	13.0%	12.3%
ROE (profit / equity capital)	16.7% <small>*1</small>	7.9%	24.5% <small>*2</small>	2.0% <small>*3</small>	6.0%	7.0%

*1 Includes impact of profit from sale of the former Kinki Plant site and Konan Building

*2 Includes impact of sale of the former Tokyo Plant site

*3 Includes impact of impairment losses and profit from sale of cross-shareholdings



Medium-Term Business Plan 2022–2024 in Review (Main Theme)

	Assessment	Review (assessment of figures vs. FYE Mar. 2022)
Basic Policy 1 Achieving sustainable growth by increasing the added value of our business	○	Expand five domains of wellness (Net sales increase of 1.3x)
	△	Expand the probiotics business (Despite 1.2x increase in external sales, fell short of initial plan)
	△	Expansion of Global Business (Despite 1.6x increase in net sales, impairment losses for 4 acquisitions)
Basic Policy 2 Further strengthening of our business base with an eye on the future	×	Growth investments with an eye on the future (Despite investments made, supply capacity for "PARM", "PARTHENO", etc. remains insufficient.)
	○	Strengthening of R&D functions (20% increase in R&D expenditure, 10% increase in personnel)
	△	Reinforced resistance to changes in the external environment (Despite recovery in profitability through price revisions, lower volumes led to lower efficiency)
Basic Policy 3 Financial strategies focused on efficiency	×	Maximize asset-creating sales (Increase in inventory levels, insufficient post-investment monitoring)
	○	Preserving financial soundness and returns to shareholders (Updated approach to balance sheet, dividend increases, share buyback totaling ¥20.0 billion)

Issues that need to be addressed going forward

Rebuilding of Global Business strategy

Developing/nurturing products that contribute to increases in volume

Address companywide aging of facilities

Optimize production capacity in response to changing demand

Reduce various fixed costs undergoing increases

Make effective use of invested capital

Attract personnel to support sustainable growth

Medium-Term Business Plan 2025–2028 - Basic Policies



Our vision for next stage

A Clearly Differentiated and Highly Profitable Company

Morinaga Milk Group 10-year Vision

- A company that balances “delicious and pleasurable food” with “health and nutrition”
- A global company that exerts a unique presence worldwide
- A company that persistently helps make social sustainability a reality

Numerical targets for FYE Mar. 2029

- Operating profit margin: at least 7%
- Global Business sales ratio: at least 15%
- ROE: maintain at least 10%

Medium-term Business Plan 2019–2021

Medium-term Business Plan 2022–2024

Medium-term Business Plan 2025–2028

Strengthening our defenses

- 1) Performing business with an ESG-focus
- 2) Further enhancing our eight main brands
Accelerating development of bifidobacteria and proprietary seeds
- 3) Developing overseas business
- 4) Improving profitability
- 5) Further strengthening our business base

Rebuilding our systems

- 1) Expansion of nutrition and healthcare foods business, Global Business, five domains of wellness
- 2) Resumption of progress in functional ingredients and probiotics
- 3) Reinforcing resistance to changes in the external environment (Cost structure reform)
- 4) Made growth investments/environment-related investments focused on the 10-year Vision
- 5) Strategically executed growth investments and utilized funds with a focus that included shareholder returns and our financial standing
- 6) Improved ROE with a focus on capital efficiency

Toughening ourselves up for the push forward

Basic policies

Growth strategy

- Focus our resources in areas where we can leverage our strengths

Structural reforms

- Rebuild the organization to enhance product development/sales capabilities
- Enhance production efficiency by restructuring production systems

Culture reforms

- Strengthen initiatives to improve return on capital
- Build an energetic team with professional skills and diversity

Merihari

To become a highly profitable company by creating products and brands that will serve as pillars of revenue

Merihari is a Japanese word that means focus and prioritization.

We use this word to express the desire of all members of the Group to drive the evolution of Morinaga Milk into the future by promoting even more finely differentiated resource allocation than ever before.

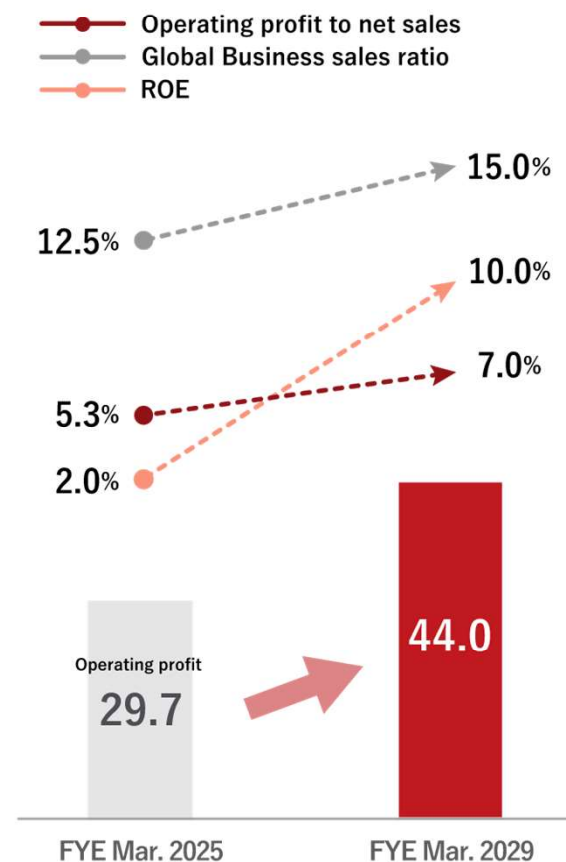
Medium-Term Business Plan 2025–2028 - Management Indicators



- Aim to hit all numerical targets, using the plan as a period to put finishing touches to the 10-year Vision
- Add new management indicators in the form of return on capital and pre-financial indicators that lead to future financial value

		(Unit: billion yen)			
		FYE Mar. 2025	FYE Mar. 2029	Increase (amount) compared to FYE Mar. 2025	Increase (%) compared to FYE Mar. 2025
Financial	Net sales	561.2	630.0	+ 68.8	+ 12.3%
	Operating profit	29.7	44.0	+ 14.3	+ 48.4%
	Operating profit to net sales	5.3%	7.0%		
	Global Business sales ratio	12.5%	15.0%		
	ROE (profit / equity capital)	2.0%	10.0%		
	New ROIC (NOPAT / invested capital)	5.7%	7.0%		
Pre-financial	New Employee engagement rating	B	BBB		

*Targeting "A" by FYE Mar. 2031



Growth Strategy (Positioning by Category/Clarification of Role)

Growth
strategy

Structural
reforms

Culture
reforms



- Revise management categories in accordance with role, based on the unchanging value we provide of “Health value/Tastiness and delightfulness”
- Free ourselves from an omnidirectional approach in Japan and overseas, and make concentrated commitments of resources in growth areas where we can leverage our strengths

Categories corresponding to
four pillars of earnings

[Medium-Term Business Plan 2022-2024]

Nutrition
and Healthcare Foods Business

Yogurt,
commercial milk (home deliveries, etc.),
nutritional food products,
CLINICO products,
health foods, etc.

Core Dairy Foods Business

Beverages, ice cream,
cheese, milk, chilled desserts

B-to-B Business

Probiotics,
functional ingredients,
food service and institutional food products

Global Business

Probiotics, formula milk,
milk derivatives,
plant-based food, Vietnam Business

Clarify categories on which
we should focus

Growth areas

Core areas

**Fundamental
areas**

**Strategic
Transformation
areas**

**Nurturing
areas**

Domestic
Business

•Yogurt
•Ice Cream
•Probiotics

•Beverages
•Cheese
•Nutritional food products
(Formula milk, etc.)
•CLINICO
•Functional ingredients
(Lactoferrin, etc.)

•Milk
•Food service and
institutional food products
(Dairy products)

•Chilled dessert
•Commercial milk
(Home deliveries, etc.)

•Health foods
(Supplements)

Global
Business

•Probiotics
•Formula milk

•Milk derivatives (MILEI)

•PBF

•Vietnam Business

Role

Areas of tightest focus for
becoming a highly profitable company

Areas that are core generators of
funds for the growth of
the Company as a whole

Areas that underpin the Company
as a whole for the purpose of
overall optimization

Areas that prioritize
structural reform
and profitability improvement

Areas oriented towards
increases in scale,
with the aim of becoming
a next-generation pillar of earnings

Growth Strategy (Concentrate Resources in Growth Areas)

Growth
strategy

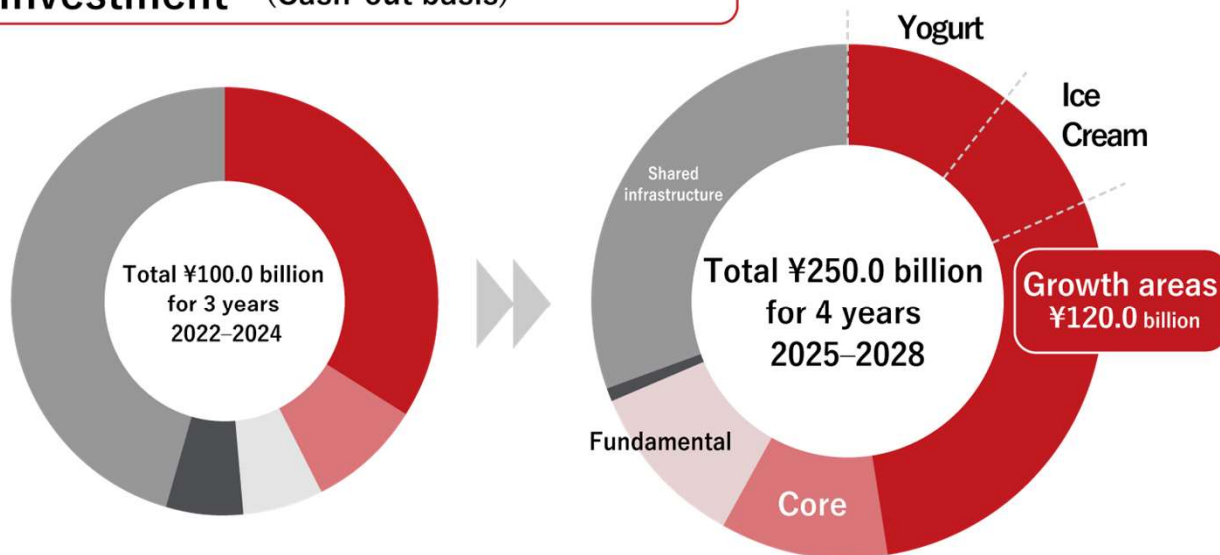
Structural
reforms

Culture
reforms



- In growth areas, create pillars of earnings by taking a proactive approach to investments, including R&D-related and M&A
- Change the allocation of human resources across the company, including the R&D and sales departments

Investment (Cash-out basis)



Plans for 2025-2028

Growth areas	•Business investment Kobe Plant: new building, ice cream production line (¥18.0 billion) Kobe/Tone Plants: yogurt production line ... (¥7.0 billion)
	•Strategic investments R&D-related (¥40.0 billion) M&A (¥30.0 billion)
Core/Fundamental (business investment)	•Hokkaido Eniwa Plant (¥15.0 billion)
	•Beverage production line (¥5.0 billion)
	•MILEI energy-saving/quality improvements (37.5 million €)
	•Capital investment to improve productivity and in areas related to the environment, such as water resource initiatives, etc. (¥10.0 billion)

R&D headcount (number of persons basis)



Allocation of human resources to growth areas

to increase at least **30%** over 4 years

Breakdown

Yogurt/ice cream: at least a 25% increase
 Probiotics: at least a 45% increase
 Formula milk overseas: at least a 50% increase

Growth Strategy (Quantitative Targets for Growth Areas)

Growth
strategy

Structural
reforms

Culture
reforms



	Growth areas	Core areas	Fundamental areas	Strategic Transformation areas	Nurturing areas
Domestic Business	<ul style="list-style-type: none"> •Yogurt •Ice cream •Probiotics 	<ul style="list-style-type: none"> •Beverages •Cheese •Nutritional food products (Formula milk, etc.) •CLINICO •Functional ingredients (Lactoferrin, etc.) 	<ul style="list-style-type: none"> •Milk •Food service and institutional food products (Dairy products) 	<ul style="list-style-type: none"> •Chilled desserts •Commercial milk (Home deliveries, etc.) 	<ul style="list-style-type: none"> •Health foods (Supplements)
Global Business	<ul style="list-style-type: none"> •Probiotics •Formula milk 	<ul style="list-style-type: none"> •Milk derivatives (MILEI) 		<ul style="list-style-type: none"> •PBF 	<ul style="list-style-type: none"> •Vietnam Business

(Unit: billion yen)

		Net sales				Operating profit			
		FYE Mar. 2025	FYE Mar. 2029	Increase (amount) compared to FYE Mar. 2025	Increase (%) compared to FYE Mar. 2025	FYE Mar. 2025	FYE Mar. 2029	Increase (amount) compared to FYE Mar. 2025	Increase (%) compared to FYE Mar. 2025
Growth segments	(Growth)	118.3	155.0	+36.7	+31.0%	13.8	20.0	+6.2	+45.1%
Mainstay segments	(Core/Fundamental /Strategic Transformation)	353.0	375.0	+22.0	+ 6.2%	13.7	20.0	+6.3	+46.1%
Nurturing/ Other segments	(Nurturing/Unique & other /Eliminations, etc.)	89.9	100.0	+10.1	+11.3%	2.2	4.0	+1.8	+82.9%
Total		561.2	630.0	+68.8	+12.3%	29.7	44.0	+14.3	+48.4%

Growth Strategy (Yogurt)

Growth
strategy

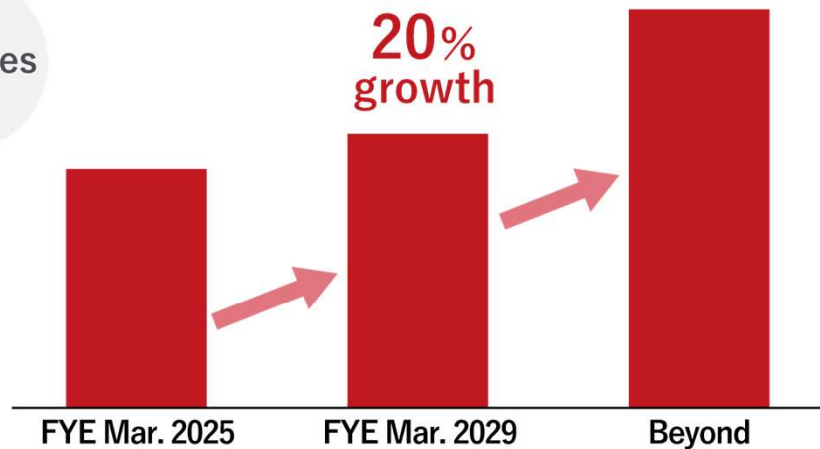
Structural
reforms

Culture
reforms



- To establish positions where we can aim for top share, concentrate resources on "Bifidus" and "PARTHENO" brands
- While basing this around the distinctiveness of such brands, we will actively invest in launching and nurturing new products endowed with enhanced value

Net sales



FYE
Mar. 2029
(compared to
FYE Mar. 2025)



+20%*

*"Bifidus" + functional yogurt

+50%

Strengthening "Bifidus" brand

Point 1

- Bolster PR for bifidobacteria
(strengthen information sharing, beginning with the World Expo 2025)
- Pursue new functional claims

Growing "PARTHENO" brand

Point 2

- Increase production capacity
- Pursue new properties/tastes using new technology
- Promote expansion into a variety of sales channels

Responding proactively to changes in the social environment

Point 3

- Design environmentally friendly products
(containers and packaging/up cycling)
- Address supply chain risks by extending expiration dates

Growth Strategy (Ice Cream)

Growth
strategy

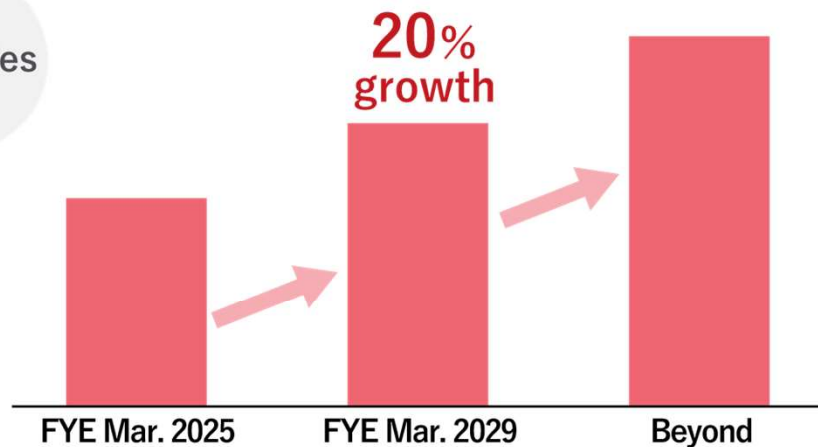
Structural
reforms

Culture
reforms



- Proactively invest in launching products with new value and strengthening supply capabilities with a view to winning top share in Japan
- Expand exports to ASEAN countries and establish positions in local markets in preparation for taking on the challenge of expanding local business locations going forward

Net sales



Point 1

Strengthening initiatives aimed at winning top share in Japan and expanding exports to Asia

- Integrate marketing functions for B-to-B/B-to-C in Japan and overseas
- Strengthen lineups for "Pino", "PARM", "MOW" brands

Point 2

The challenge of new manufacturing technology

- Nurture new brands that will be a future source of earnings
- Pursue new properties/tastes that confer competitive advantages

Point 3

Winning annual demand and build stable system of supply

- Strengthen SCM, which includes starting operation of new facilities at the Kobe Plant
- Promote use of AI (enhance new product demand forecasts/accuracy of supply-demand balance)

FYE
Mar. 2029
(compared to
FYE Mar. 2025)



+10%



+20%



+20%



Nurturing

Growth Strategy (Probiotics)

Growth
strategy

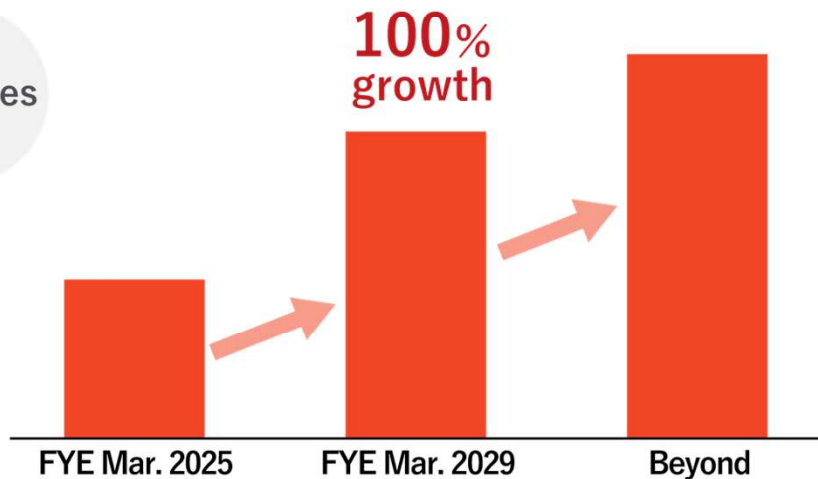
Structural
reforms

Culture
reforms



- Aim to double sales, focus on promoting customers for formula milk and supplements in highly potential areas
- Obtain evidence that further strengthens the competitive advantage of bifidobacteria, and invest actively in the development of new probiotics

Net sales



Focus
areas

	China	Japan, South Korea, etc.	U.S.
Market size (USD)	120M	150M	250M
CAGR 2023–2028	11.3%	6.8%	2.7%

Source: Giract's Global Probiotic Cultures 2023-2028 Report

Point 1

Promoting formula milk business in China and supplements business globally

- Conclude agreements with strategic partners
- Promote support for existing customers expanding overseas by leveraging global sales network

Point 2

Broadening evidence and accelerate probiotics development

- Obtain multifaceted evidence (region, function, format)
- Develop postbiotics, research methods to enhance survivability of probiotics, etc.

Point 3

Exploring markets in preparation for future progress

- Consider expansion in emerging countries
- Explore format development and new applications

Growth Strategy (Formula Milk for Overseas Markets)

Growth
strategy

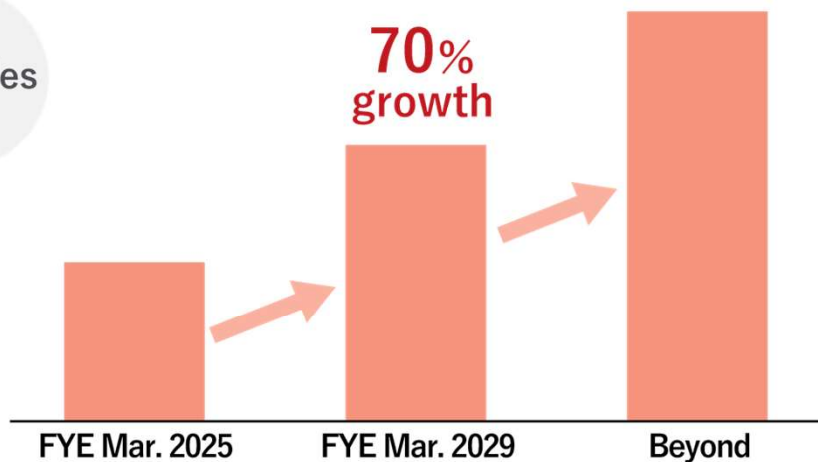
Structural
reforms

Culture
reforms



- Expand product lineup in markets where we can leverage first-mover advantage, with the objective of entering global top10
- Roll out a variety of initiatives to enhance cost competitiveness and grow the Morinaga brand

Net sales



Focus
areas

	Pakistan	Vietnam	Indonesia
Year of market entry	1978	2010	1979
CAGR 2023–2028	12.1%	0.8%	1.1%

Source: Euromonitor International

Point 1

Expand product lineup to reach broader target customer

- Increase speed of product development by committing more resources to R&D
- Strengthen communication initiatives, beginning with mothers

Point 2

Enhancing cost competitiveness to flexibly execute marketing strategy

- Raise production efficiency through further expansion of local manufacturing
- Enhance procurement function

Point 3

Seeding for future progress

- Expand sales channels in emerging countries
- Research and develop value added products using bifidobacteria

Structural Reforms (Rebuild the Organization to Enhance Product Development/Sales Capabilities)

Growth
strategy

Structural
reforms

Culture
reforms



- A Marketing Division and Functional Food Ingredients Division have been established as control towers for the business, improving efficiency and accelerating growth
- By establishing the Biotics Institute and making the Finance & Accounting Division independent, we seek to strengthen probiotics business development capabilities and improve the effectiveness of investment, respectively

Newly established

Marketing Division

- Strengthens functions by acting as a control tower for the business as a whole, covering everything from allocation of dairy resources to optimization of production systems
- Expand marketing domain to include such areas as product development from a global perspective, including overseas exports

Newly established

Functional Food Ingredients Division

- Transcends boundaries both in Japan and overseas to enhance probiotics sales capabilities at a global level
- Strengthens cooperation between research, production, and sales functions, enhancing business efficiency through effective use of resources

Implements checks on optimization of value chain as a whole

R&D

Product development

Raw material
procurement

Manufacturing
and
distribution

Sales

General administration/infrastructure

Structural changes

R&D Division

- Probiotics business development capabilities are being strengthened by establishing a Biotics Institute within the R&D Division, which will be solely responsible for not only basic research but also research aimed at commercial use of probiotics

Newly established

Financial & Accounting division

- Will practice various kinds of management aimed at capital efficiency
- Strengthens checks in the investment (M&A) decision-making process by playing a “braking” role

Structural Reforms (Enhance Production Efficiency by Restructuring Production Systems)

Growth
strategy

Structural
reforms

Culture
reforms



- Improve profitability by responding to market changes, such as focusing on growth areas, adapting to volume reductions, and shifting to long-life products at room temperature.
- Although global raw milk production is increasing, the supply and demand for imported dairy ingredients is unclear. We will accelerate the restructuring of our bases with a view to securing a stable supply of domestic dairy ingredients.

Hokkaido Eniwa Plant



Concept

A sustainable factory that is friendly to both people and the environment

Planning to improve productivity and reduce environmental impacts through the introduction of advanced technology

New manufacturing building at Kobe Plant

*Yogurt and ice cream production capacity expansion

Morinaga
-Hokuriku Milk Industry Co., Ltd.
Toyama Plant
*End of ice cream production

1

Accelerating restructuring production system

- Renew aging facilities at an appropriate scale to meet demand
- Promote the consolidation of production sites in preparation for building a more efficient production/supply system
- Expand yogurt and ice cream facilities, which had lost opportunities due to capacity limitations

	FYE Mar. 2025	FYE Mar. 2029	By FYE Mar. 2033
No. of paper pack lines		Halved	
No. of production sites		Reduced by 20%	

2

Improving profitability by taking advantage of the characteristics of long-life products at room temperature

- Expand sales channels by taking advantage of the characteristics of long-life products at room temperature, such as through e-commerce and overseas exports (utilizing the Hokkaido brand)
- Improve energy conservation and delivery efficiency by transporting and storing at room temperature
- Promote labor saving through planned manufacturing

3

Ensuring a stable supply of dairy ingredients

- Hokkaido's share of domestic raw milk production is on the rise, and we will secure a base in the Hokkaido region for medium- to long-term procurement of milk resources

*International raw milk production is expected to grow at an annual rate of around 1-3%, but supply and demand are expected to become tight as demand increases due to population growth.

Culture Reforms (Strengthen Initiatives to Improve Return on Capital)

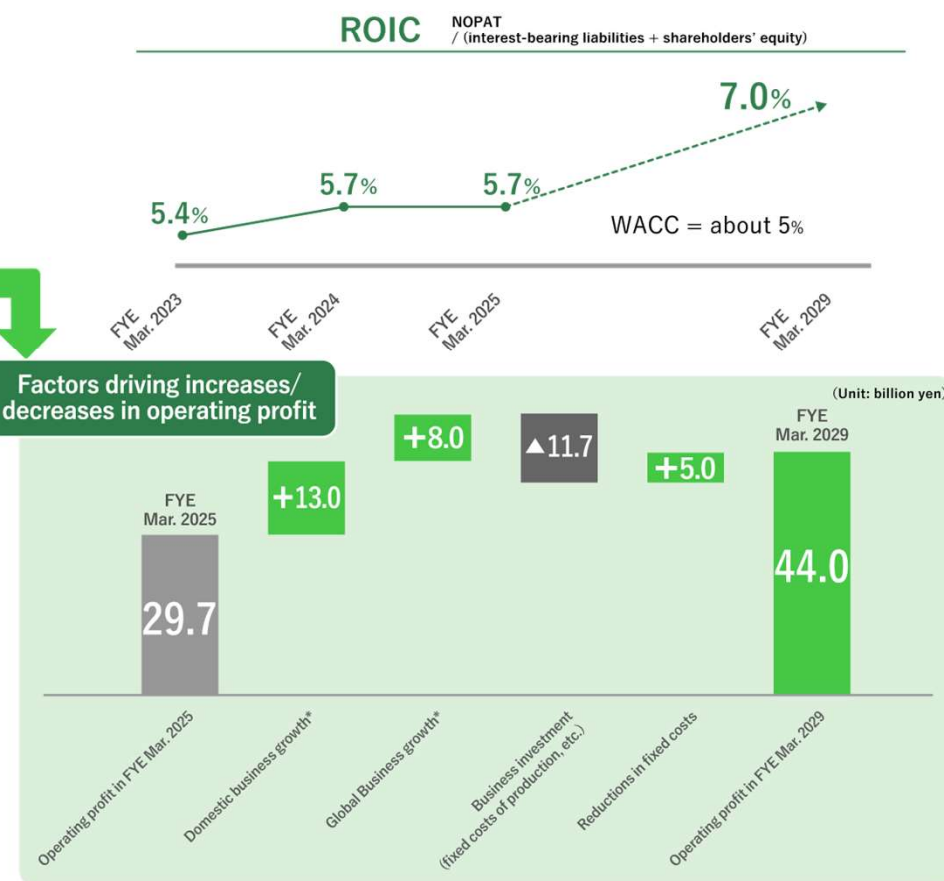
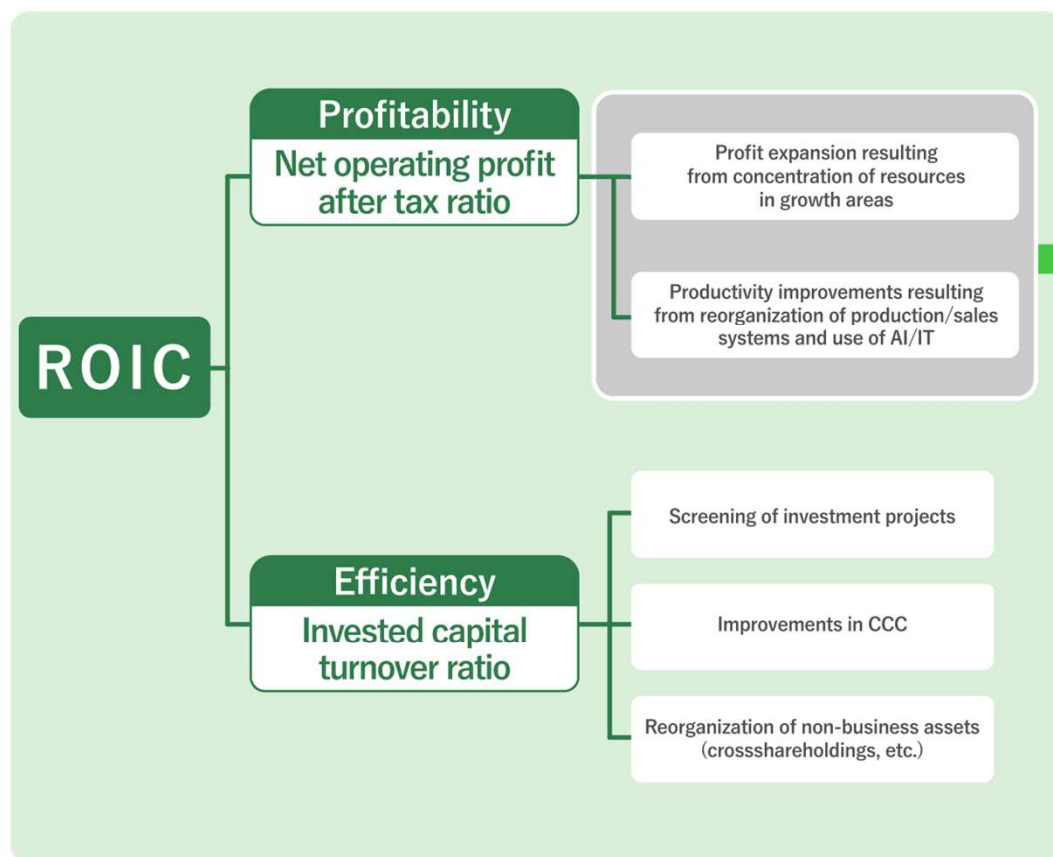
Growth
strategy

Structural
reforms

Culture
reforms



- By introducing an ROIC target of 7% as a new management indicator, we will further raise awareness of the cost of capital
- We aim to enhance corporate value over the medium to long term through screening of investment projects and improvements in CCC, etc., in addition to growing profits



*Business growth is the amount of profit growth after cost increases driven by such external factors as rising raw material expenses have been absorbed

Culture Reforms (Build an Energetic Team with Professional Skills and Diversity)

Growth
strategy

Structural
reforms

Culture
reforms



- Elevate employee engagement by developing specialist personnel, promoting the participation of women, and diversifying work styles
- Forming the kind of teams to which we aspire will facilitate improvements in business performance and enhancements to corporate value

Energetic team with professional skills and diversity

Human capital development

Self-direction

Demonstration of specialized skills

Organizational development

Integration of diverse values

A culture that celebrates challenges

Elevated employee engagement

Normalization of headcount and remuneration

- Drawing-up and execution of headcount plans to achieve management strategy
- Reviewing the compensation system to suit work styles

Course of action for education

- Development of highly specialized human resources and human resources with global perspectives
- Nurture a strong managerial class, promote self-directed study

Priority measures

Diversity, equity, and inclusion

- Promote active participation by older employees, women, and persons with disabilities
- Ensure age diversity in organization chiefs

Diversification of work styles

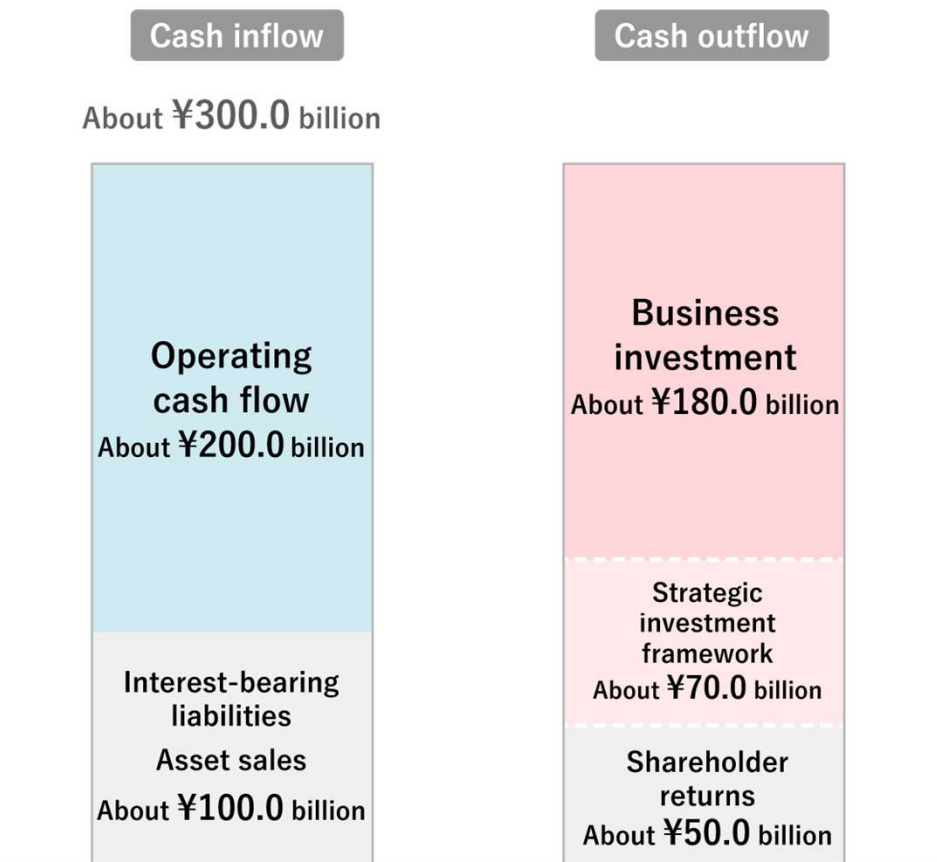
- Support for career autonomy
(Systems for internal recruitment and side jobs)
- Work style improvements and promotion of health management

Nurturing of executive candidates

- Management of succession plans
- Special promotion for young employees with ability

Allocation of Cash and Shareholder Returns Policies

- Allocation of cash to achieve concentration of resources in growth areas
- Use interest-bearing liabilities to optimize capital structure and enhance shareholder returns to reduce the cost of capital



Concentrate resources in growth areas

- Seek to concentrate resources in growth areas focused on yogurt and ice cream
- Establish strategic investment framework that includes M&A and R&D, etc., and make timely and appropriate investments
- Make investment decisions with an awareness of capital cost (WACC) and after assigning priorities based on investments that contribute to business growth

Use interest-bearing liabilities to achieve optimal capital structure

- Also use interest-bearing liabilities to target a net DER of 0.4–0.5

Shareholder returns policy

- Raise the payout ratio target from 30% to **40%**
- Acquire treasury stock flexibly according to circumstances
- **¥10.0 billion in acquisitions of treasury shares scheduled for FYE Mar. 2026** (cancellation planned after acquisition)

Appendix

Medium-Term Business Plan 2025–2028

- Management Indicators (by Segment)



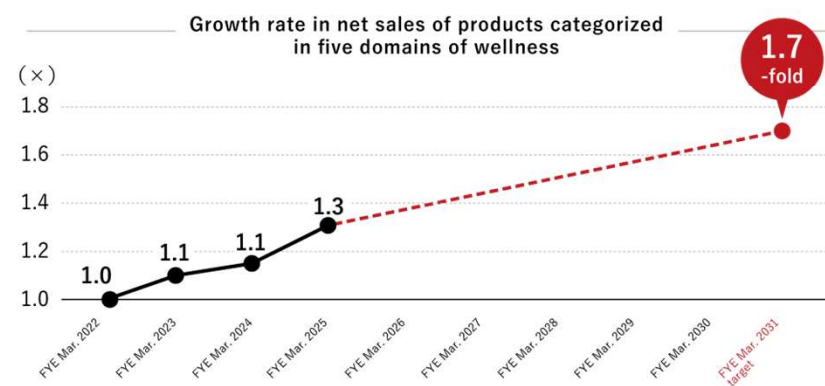
(Unit: billion yen)

		Net sales				Operating profit			
		FYE Mar. 2025	FYE Mar. 2029	Increase (amount) compared to FYE Mar. 2025	Increase (%) compared to FYE Mar. 2025	FYE Mar. 2025	FYE Mar. 2029	Increase (amount) compared to FYE Mar. 2025	Increase (%) compared to FYE Mar. 2025
Growth segments (Growth)		118.3	155.0	+36.7	+31.0%	13.8	20.0	+6.2	+45.1%
Mainstay segments (Core/Fundamental/Strategic Transformation)		353.0	375.0	+22.0	+ 6.2%	13.7	20.0	+6.3	+46.1%
Nurturing/Other segments (Nurturing/Unique & other/Eliminations, etc.)		89.9	100.0	+10.1	+11.3%	2.2	4.0	+1.8	+82.9%
	(Breakdown) Global Business	69.9	95.0	+25.1	+35.9%	7.5	15.0	+7.5	+100.6%
Total		561.2	630.0	+68.8	+12.3%	29.7	44.0	+14.3	+48.4%

Revision of Sustainability Medium- to Long-Term Plan 2030

As of May 2022 (target for FYE Mar. 2031)		Details of revision
KPIs	Targets	
Contribution to well-being ^{*1}	Net sales of products with consideration for health issues (compared to FYE Mar. 2022)	1.7-fold
	Participants in health promotion and nutrition education activities (from FYE Mar.2022~Mar.2031)	Total 1,000,000 <small>(Scope)</small> Expand to domestic consolidated subsidiaries
	Increase in the number of published research papers on health and nutrition (including patent applications)	Not set <small>(KPI)</small> Promote research and development that safely and reliably leads to the creation of high-quality products that contribute to the health and nutrition of consumers
	Increase our image as a company that contribute to health (Corporate brand image survey)	25%
	—	— <small>(New)</small> Improve our image as a supplier of products that provide tastiness and delightfulness (Corporate brand image survey) <small>(Target)</small> 30%
Food safety and reliability	Acquisition of FSSC 22000 and other GFSI certification standards at all Group manufacturing sites	Acquisition at all Group manufacturing sites <small>(Footnotes to KPIs)</small> GFSI certification standards
	Continuation of zero quality-related incidents and initiatives to ensure compliance with laws and regulations	Not set <small>(KPI)</small> Number of serious quality-related incidents <small>(Target)</small> 0

^{*1} Changed the name from "Materiality: Contribution to wellness"



Revision of Sustainability Medium- to Long-Term Plan 2030



As of May 2022 (target for FYE Mar. 2031)			Details of revision
KPIs		Targets	
Mitigation of and adaptation to climate change	Scope 1+2 CO ₂ emissions reduction rate (compared to FYE Mar. 2014)	38% or higher	<div>Scope</div> Expand to global consolidated subsidiaries <div>Target</div> 38% or higher → 50% or higher
	Scope 3 GHG emissions reduction rate (compared to FYE Mar. 2021)	10% or higher	<div>Scope</div> Domestic consolidated subsidiaries (from FYE Mar. 2026) Global consolidated subsidiaries (from FYE Mar. 2027)
	Percentage of sites formulating BCPs to address climate change	100%	—
Environmental consideration and resource recycling	ISO 14001 certification maintenance rate at domestic manufacturing sites	100%	—
	Petroleum-derived virgin plastic usage reduction rate (compared to FYE Mar. 2014)	25% or higher	<div>Scope</div> Expand to global consolidated subsidiaries
	Industrial waste recycling rate	Achieving zero emissions	<div>Scope</div> Expand to global consolidated subsidiaries
	Water resource usage reduction rate (compared to FYE Mar. 2014)	15% or higher	<div>Scope</div> Expand to global consolidated subsidiaries
	Rate of accommodation of environmentally friendly design in major brands	100%	—
Sustainable raw material procurement	Rate of transition to RSPO mass balance certification	100% *FYE Mar. 2029	—
	Usage ratio of FSC-certified or other environmentally friendly paper	100% *FYE Mar. 2025	<div>Scope</div> Expand to global consolidated subsidiaries <div>Target</div> 100%
	Expansion of support for raw material suppliers	Not set	<div>Scope</div> Expand to domestic consolidated subsidiaries <div>Target</div> 100% deployment of supplier support tools
	—	—	<div>New</div> Increase the number of initiatives aimed at enhancing the value of dairy industry <div>Target</div> 500

As of May 2022 (target for FYE Mar. 2031)			Details of revision
KPIs		Targets	
Respect for human rights and enhanced well-being *2	Continuous compliance with human rights policy throughout supply chain	Ongoing compliance	<div>KPI</div> Continuous compliance with human rights policy → ongoing implementation of initiatives to raise respect for human rights
	Ratio of female managers	10% or higher	<div>Target</div> 20% or higher *3
	Childcare leave usage ratio (men)	100%	—
	—	—	<div>New</div> Strengthen health management initiatives aimed at achieving "White 500 certification" status <div>Target</div> Morinaga Milk Industry: maintain certification as Health & Productivity Management Outstanding Organization Domestic consolidated subsidiaries: promote certification of Health & Productivity Management Outstanding Organization
	Number of major work-related accidents	0	—
	Employee engagement ratings	A	<div>Target</div> Additional interim target: "BBB" by FYE Mar. 2029
	Amount of investment in human resource development	40,000 yen/person/year	<div>Target</div> 40,000 yen/person/year → 50,000 yen/person/year
	Total number of participants in community activities at business sites (FYE Mar. 2022–FYE Mar. 2031)	100,000	—
	Ratio of Group business sites carrying out community activities	100%	—
	Coexistence with local communities	—	—

*2 Changed the name from "materiality: respect for human rights and diversity"

*3 The target for the ratio of female managers for FYE Mar. 2031 changed to at least 20% in March 2024



Cautionary Note Regarding Business Forecasts

Figures for plans, policies, and other figures included in this report other than actual past results are forecasts of future business performance, and are calculated based on management's estimates and understanding of the information available to the Company at the time this presentation was prepared. Accordingly, these forward-looking figures contain elements of risk and uncertainty, and actual results may differ from these forecasts for a variety of reasons. These elements of potential risk and uncertainty include economic conditions in the Company's major markets, trends in demand for the Company's products, exchange rate movements, and regulatory changes and changes in accounting standards and business practices in Japan and other countries. Monetary amounts in this presentation are shown in billions of yen, with amounts of less than 0.1 billion yen rounded to the nearest 0.1 billion yen, and as a result, total figures may differ from the sum of the corresponding breakdown figures.