

Morinaga Milk Corporate Profile



(Securities code: 2264)

<https://www.morinagamilk.co.jp/english/ir/>

As of November, 2023

1. Corporate Profile

*The accounting standard for revenue recognition is applied from FYE March 2022

*Before FYE March 2021 applying accounting standard for revenue recognition

1 - 1. Corporate Slogan, Corporate Philosophy

Corporate slogan

For Ever Brighter Smiles

Corporate Philosophy

Contribute to healthy and enjoyable lifestyles through offering unique products derived from advanced milk technology.

Guiding Principles: Our Eight Questions

1. Do we share our passion with our customers?
2. Do we feel and express gratitude to all stakeholders?
3. Do we have confidence in our quality?
4. Do we always pursue safety and reliability?
5. Do we continue to challenge ourselves?
6. Do we contribute to building "Team Morinaga"?
7. Do we engage in and enjoy what we do?
8. Do we exchange our visions and progress toward them?



1 - 2. Morinaga Milk Group 10-year Vision (Established in 2019)



Vision 1

A company that balances “delicious and pleasurable food” with “health and nutrition”

Vision 2

A global company that exerts a unique presence worldwide

Vision 3

A company that persistently helps make social sustainability a reality

10-year Targets

(for the fiscal year ending March 31, 2029)

Operating profit margin

3.8 %*



At least 7%

R O E

8.6 %*



At least 10%

Ratio of overseas sales

5.0 %*

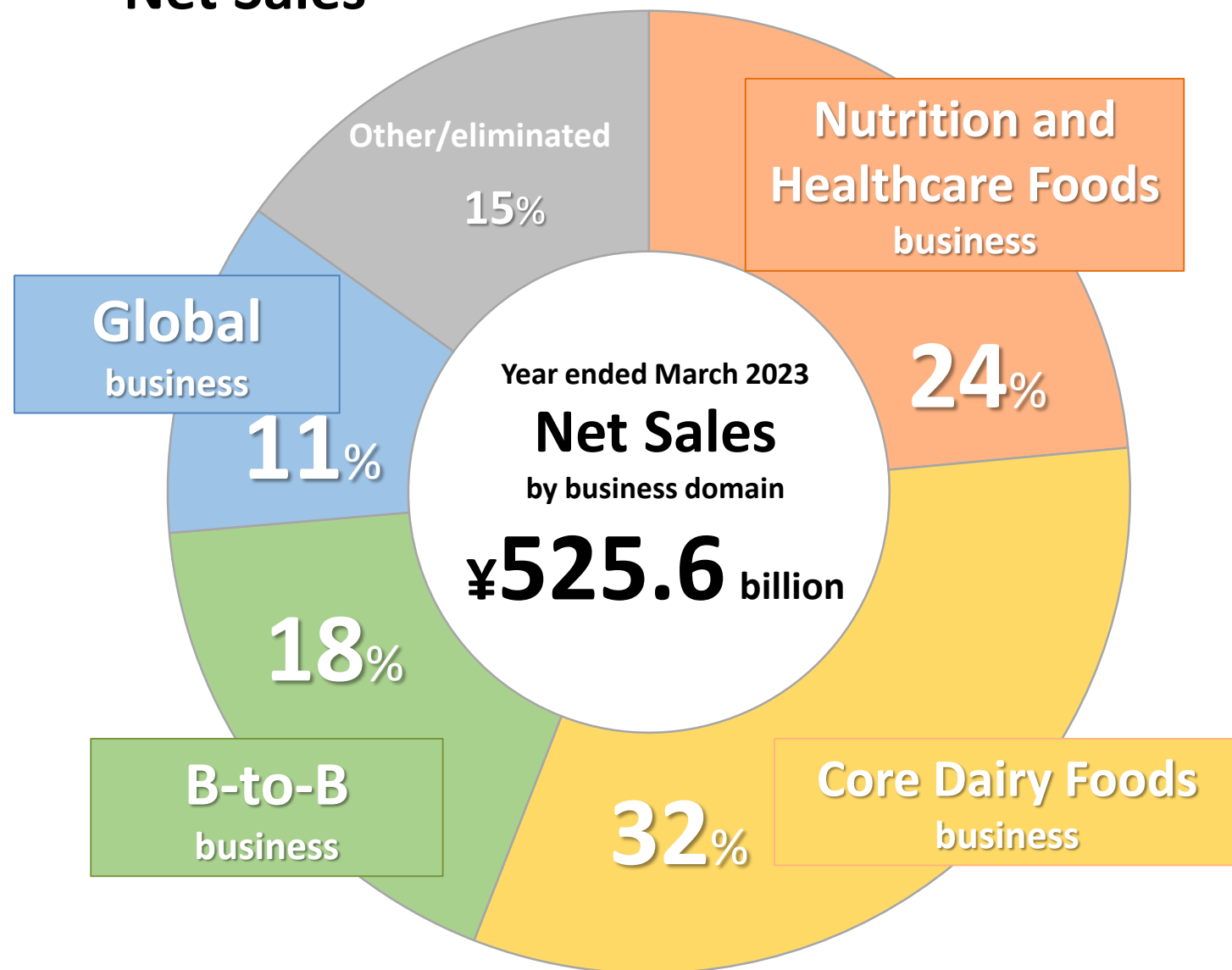


At least 15%

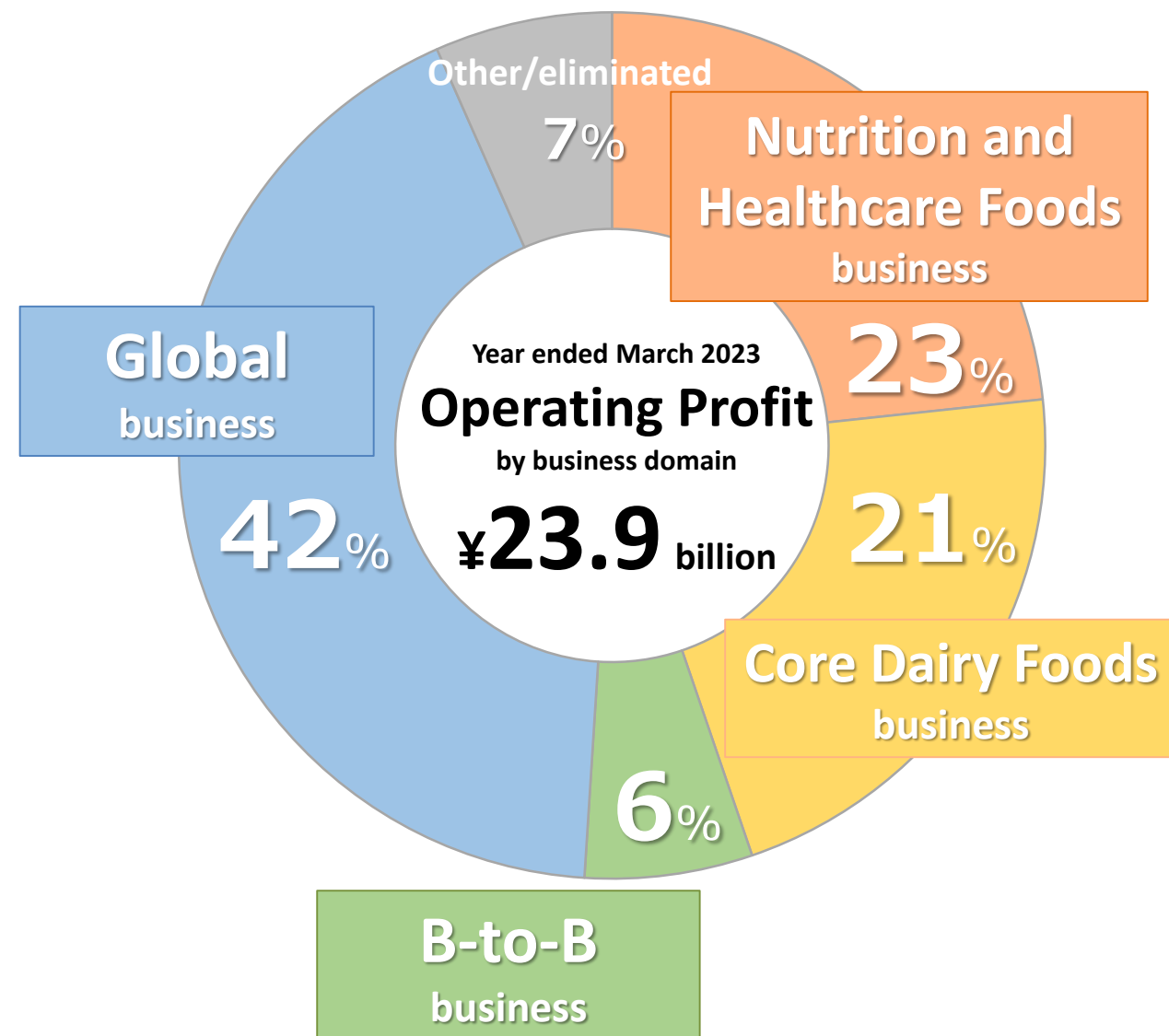
* The figures are for the fiscal year ended March 2019.

1 - 3 . Group Business Structure

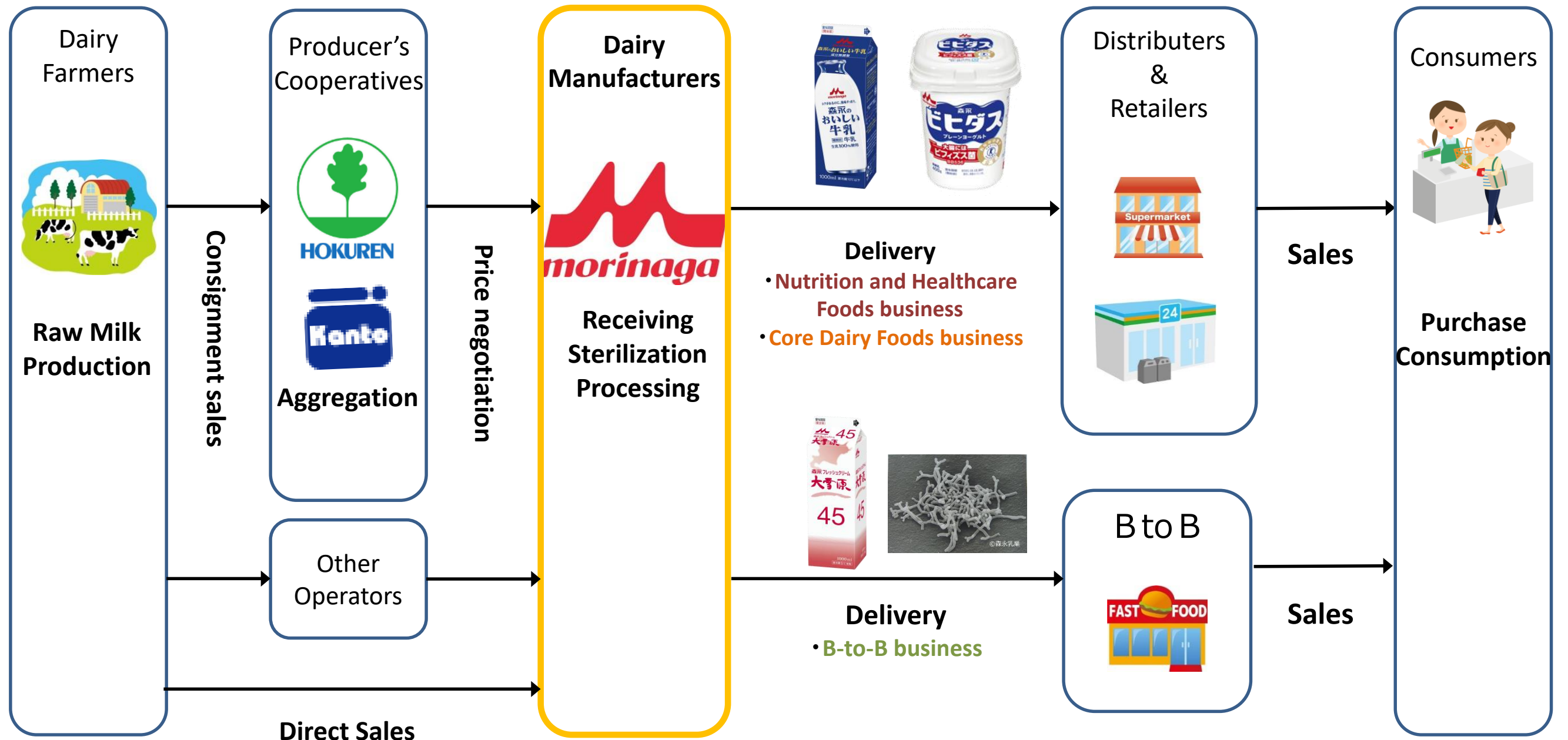
Net Sales



Operating Profit

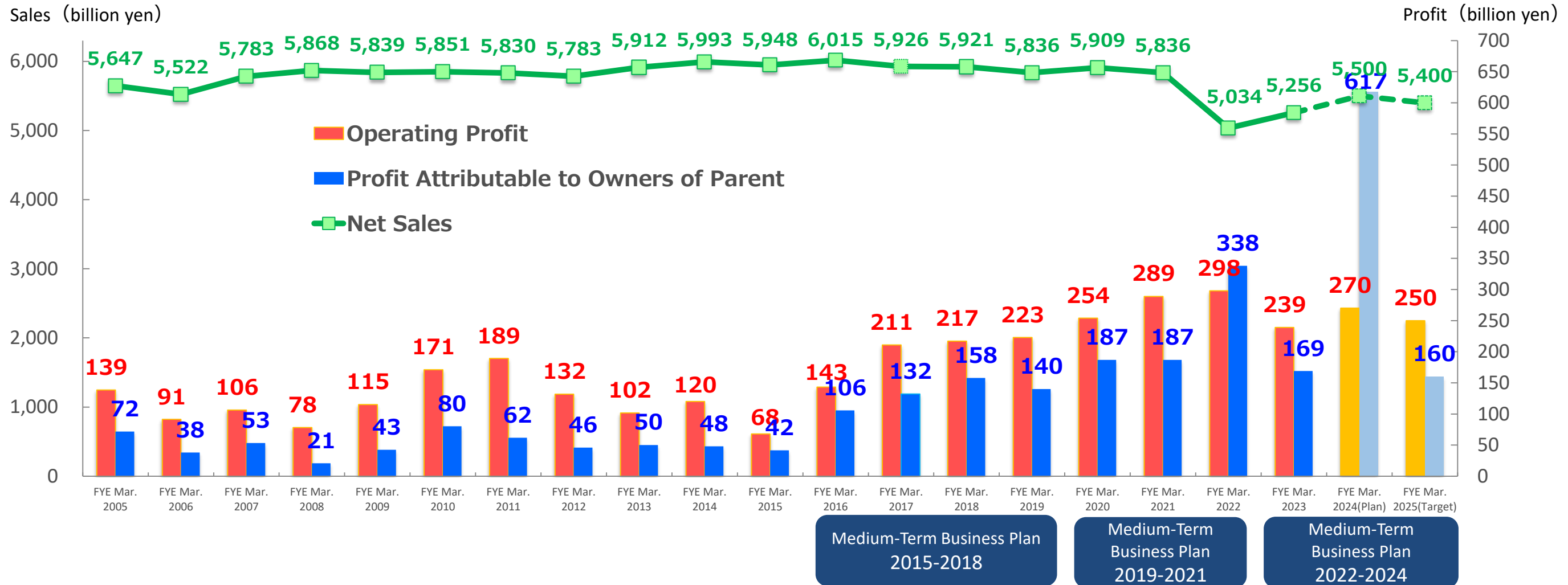


1 - 4 . Distribution of Milk and Dairy products



1-5. Financial Summary

※ The Group has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29) and related guidance from the beginning of the fiscal year ended March 31, 2022.



- FYE March 2023: First year of Medium-Term Business Plan. **Operating profit of ¥23,939 million.**
- FYE March 2025: Final year of Medium-Term Business Plan. **Target Operating profit of ¥25,000 million.**
- FYE March 2029: Morinaga Milk Group 10-year Vision **1) Operating profit margin at least 7%, 2) ROE at least 10%, 3) Ratio of Global business sales at least 15%**

1 - 5 . Financial Summary



(Unit: billion yen)

	FYE March 2020	FYE March 2021	FYE March 2022	FYE March 2023	Year on Year Change*	Year on Year (%)*	FYE March 2024 E	Year on Year Change	Year on Year (%)
Net Sales	590.9	583.6	503.4	525.6	+22.2	+4.4%	550.0	+24.4	+4.6%
Operating Profit	25.4	28.9	29.8	23.9	-5.9	-19.6%	27.0	+3.1	+12.8%
Ordinary Profit	25.9	30.1	31.1	25.2	-5.9	-19.0%	28.0	+2.8	+11.0%
Profit Attributable to Owners of Parent	18.7	18.7	33.8	16.9	-16.9	-50.0%	61.7	+44.8	+265.6%
Operating Profit to Net Sales	4.3%	4.9%	5.9%	4.6%			4.9%		
ROE (Net Income / Equity Capital)	10.7%	9.8%	16.7%	7.9%			24.5%		

1 - 6 . Four Business Domains

(Net Sales and Operating Profit)



(Unit: billion yen)

Net Sales	FYE March 2023	FYE March 2024 E	Year on Year (%)
Nutrition and Healthcare Foods Business	123.7	127.0	+2.7%
Core Dairy Foods Business	170.2	178.0	+4.6%
B-to-B Business	93.2	98.0	+5.2%
Global Business	59.4	63.8	+7.5%
Other/Eliminated	79.2	83.2	+5.1%
Total	525.6	550.0	+4.6%

Operating Profit	FYE March 2023	FYE March 2024 E	Year-on-year Change
Nutrition and Healthcare Foods Business	5.6	6.7	+1.1
Core Dairy Foods Business	5.1	8.9	+3.8
B-to-B Business	1.5	3.7	+2.2
Global Business	10.1	5.5	-4.6
Other/Eliminated	1.6	2.2	+0.6
Total	23.9	27.0	+3.1

1 - 6 . Four Business Domains



(Net Sales by product field in B-to-C Business (Non-consolidated))

(Unit: billion yen)

Sales	FYE March 2020	FYE March 2021	FYE March 2022 * ₁	FYE March 2023 * ₂	Year on Year (%) * ₂	FYE March 2023 E	Year on Year (%)
Nutrition and Healthcare Foods Business							
Yogurt	53.6	58.8	53.1	53.2	0%	53.9	+1%
Commercial milk (Home deliveries, etc.)	21.5	20.9	19.3	19.0	-1%	18.7	-1%
Nutritional food products	-	-	12.9	12.6	-2%	12.7	+1%
CLINICO Co., Ltd.	-	-	24.6	25.3	+3%	26.3	+4%
Core Dairy Foods Business							
Beverages	58.1	54.5	45.3	50.3	-6%	55.9	+11%
Ice cream	44.7	46.6	39.8	42.0	+3%	45.0	+7%
Cheese	32.8	35.2	26.0	25.1	-4%	26.5	+6%
Milk	61.8	59.0	54.1	43.4	+1%	45.4	+5%
Chilled desserts	8.9	8.8	7.9	7.3	+1%	7.0	-4%
Global Business							
MILEI GmbH (Billions of yen) (Millions of euros)		24.7 195	29.8 229	41.5 295	+39% +29%		
MNF (Billions of yen) (Millions of USD)			2.9 25	3.5 26	+19% +4%		
Elovi (Billions of yen) (Billions of VND)			3.5 686	4.8 858	+38% +25%		

*1 The accounting standard for revenue recognition is applied from FYE Mar. 2022.

*2 Adjusted Year-on-year % change to those after transfer to transfer products between Beverages and Milk.

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1 - 6 . Four Business Domains: Nutrition and Healthcare Foods Business

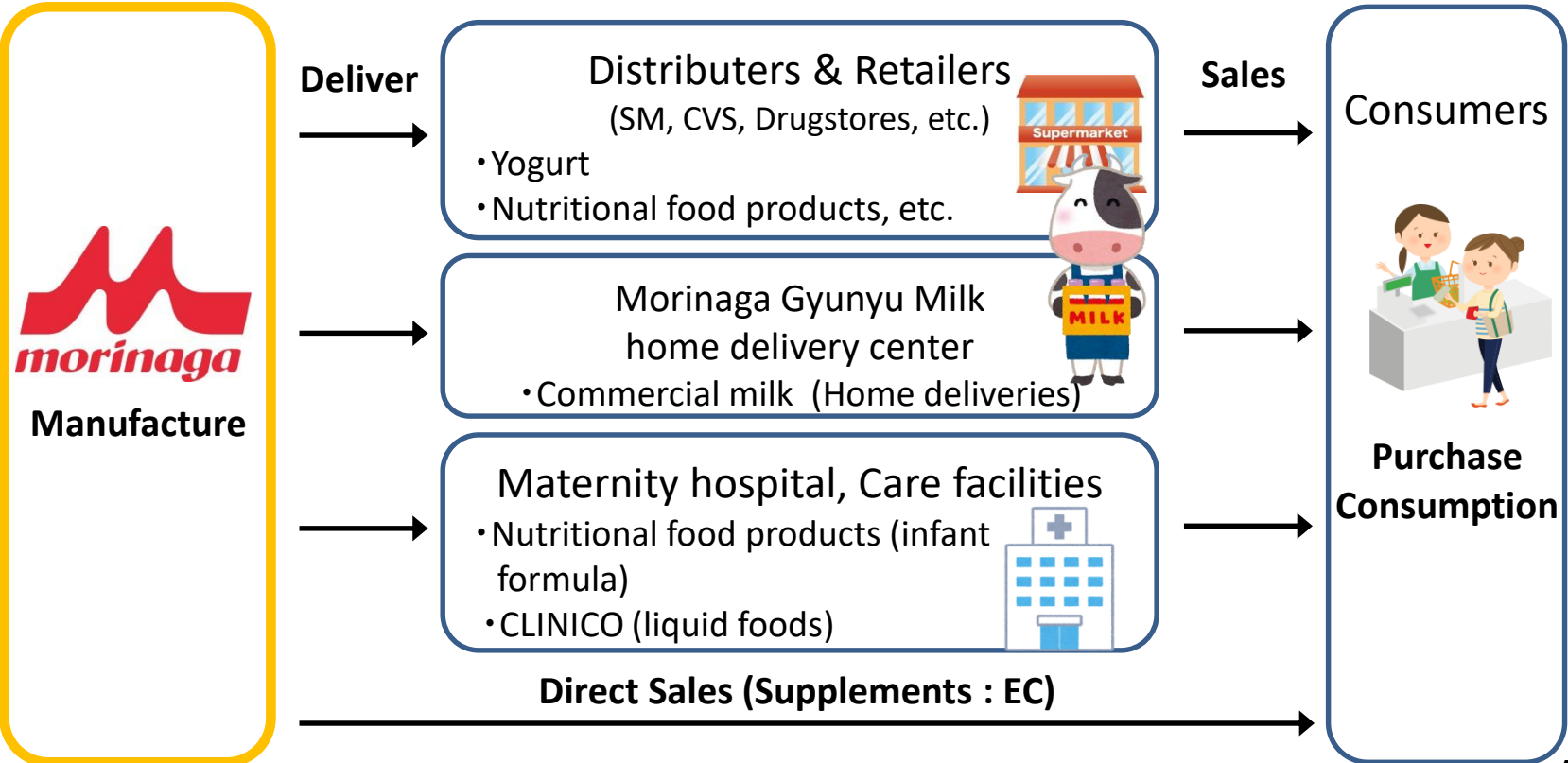


Nutrition and Healthcare Foods Business

Net Sales : 123.7 billion yen
Operation Profit : 5.6 billion yen (FYE Mar. 2023)

- This business will provide the impetus for the provision of health value and will drive the rapid growth of our health brands as sources of future success. Diverse channels, including home delivery and online sales, will be used to market yogurt products, such as Bifidus Yogurt and Greek Yogurt PARTHENO, and powdered milk products, such as Hagukumi and the Nutritional milk powder (Milk Life) series, as well as liquid foods and supplements.

Sub-segments		(Unit: billion yen)
	Net Sales (FYE Mar. 2023)	
Yogurt	 	53.2
Commercial milk (Home deliveries, etc.)		19.0
Nutritional food products	 	12.6
CLINICO Co., Ltd.		25.3
*Others : Supplements (EC), Creap (creaming powder) , etc.		
		



1 - 6. Four Business Domains: Core Dairy Foods Business



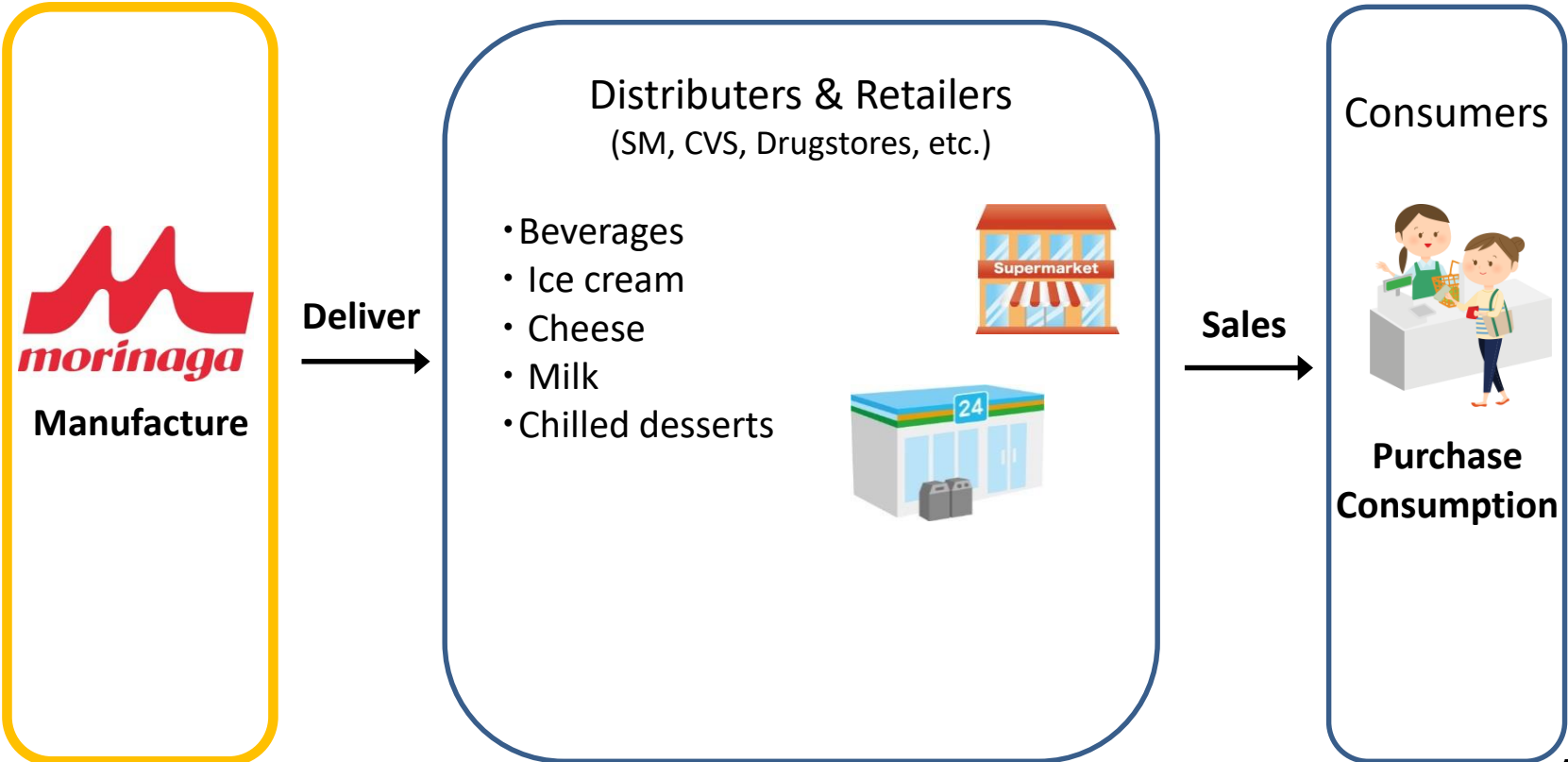
Core Dairy Foods Business

Net Sales : 170.2 billion yen
Operation Profit : 5.1 billion yen (FYE Mar. 2023)

- The mission of this business is to establish upward trajectories for long-selling products that drive our business growth as our main providers of “tastiness and delightfulness” value.
- It is building a diverse range of popular products to meet changing consumer needs, including beverages, such as Mt. RAINIER CAFFÈ LATTE and Pino, PARM, and MOW ice cream, as well as cheese and milk.

(Unit: billion yen)

Sub-segments	Net Sales (FYE Mar. 2023)
Beverages	50.3
Ice cream	42.0
Cheese	25.1
Milk	43.4
Chilled desserts	7.3






1 - 6 . Four Business Domains: B-to-B Business

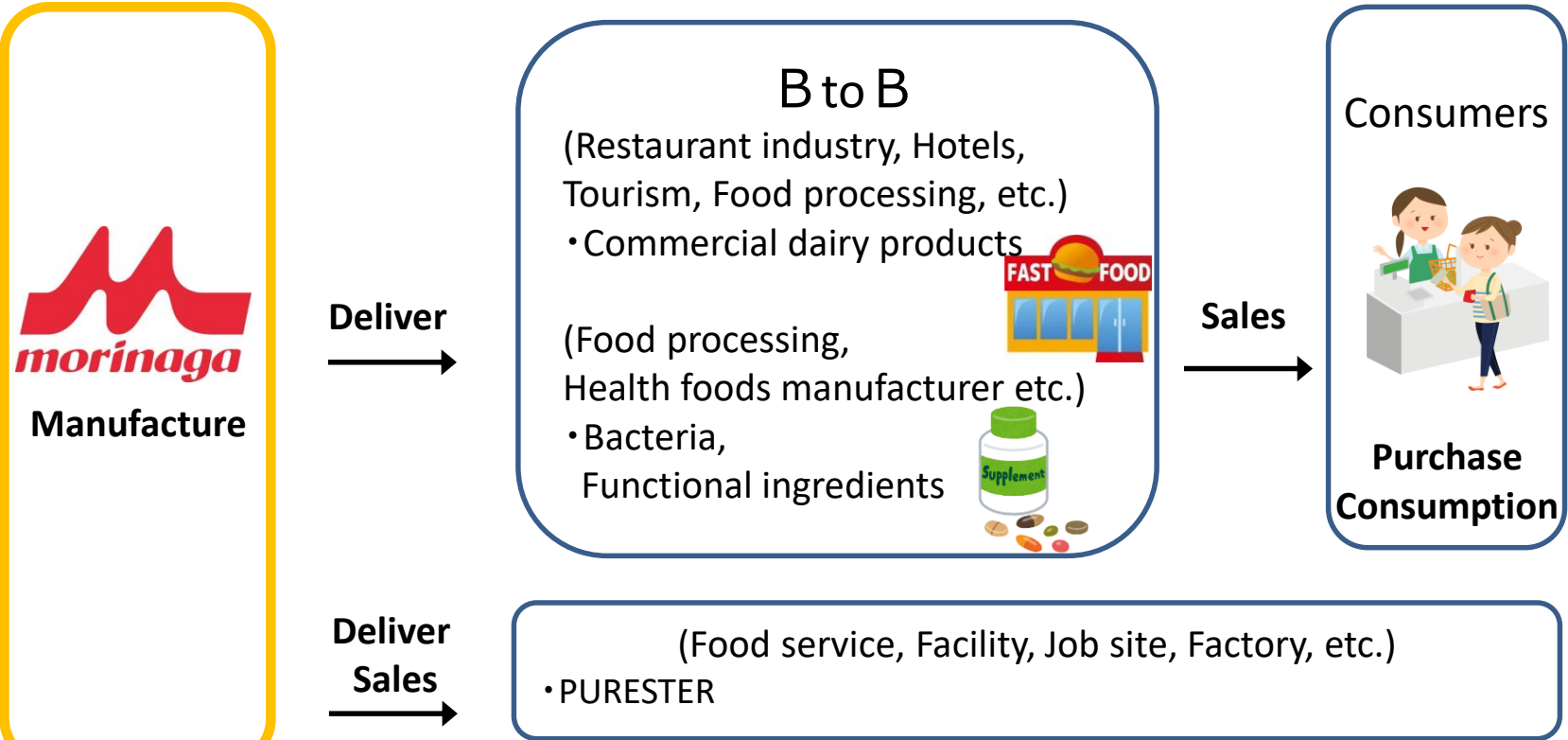


B-to-B Business

Net Sales : 93.2 billion yen
Operation Profit : 1.5 billion yen (FYE Mar. 2023)

- The role of this business is to identify the increasingly diverse problems experienced by consumers, to anticipate potential needs that have not yet emerged, and to co-create solutions, including the development of recipes, with diverse customers.
- In this area, we offer solutions to customers in a wide range of industries, including cream and other dairy product ingredients, functional ingredients, such as bifidobacteria and lactoferrin, and products, such as PURESTER.

Sub-segments	Net Sales
Commercial dairy products  Cream	*More than 90% of total B-to-B Business
Bacteria, Functional ingredients  <i>Bifidobacterium longum</i> BB536	
*Others : PURESTER (the slightly acidic electrolysed water generator) 	



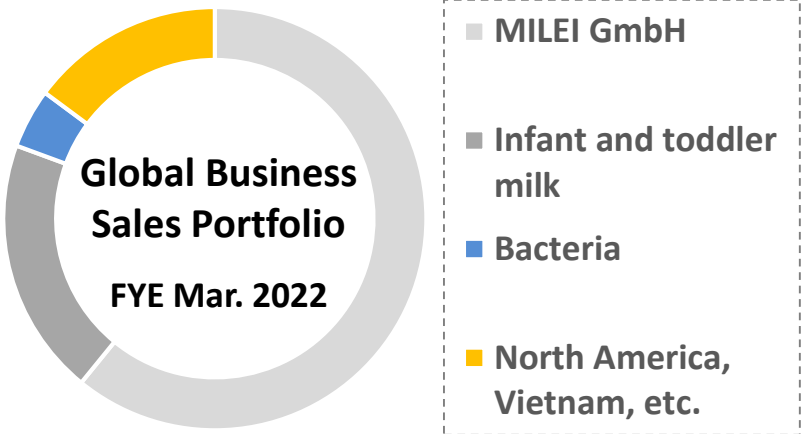
1 - 6 . Four Business Domains: Global Business



Global Business

Net Sales : 59.4 billion yen
Operation Profit : 10.1 billion yen (FYE Mar. 2023)

- The mission of the Global Business is to drive growth by responding to expanding health needs on a global scale.
- Our Global Business operations include MILEI, which manufactures and sells dairy product ingredients, our infant and toddler milk business in Asia, the bacteria business, the plant-based foods business in North America, and our business operations in Vietnam, which center on Elovi.



Main Business	Net Sales (FYE Mar. 2023)	Overview
Germany, MILEI GmbH	41.5 billion yen 295 million €	<ul style="list-style-type: none">Established as a joint venture by Morinaga Milk and other companies in 1972, the company is now a wholly owned subsidiary of Morinaga Milk. The company manufactures and sells products that include whey protein concentrate, lactose, and lactoferrin.
Infant and toddler milk (Exports, Joint venture)		<ul style="list-style-type: none">Exports: Expanding mainly in Asian countries such as Pakistan, Vietnam, Malaysia, etc.Joint venture: Pakistan (NutriCo Morinaga), Indonesia (PT.Kalbe Morinaga Indonesia)
Bacteria		<ul style="list-style-type: none">Exporting bifidobacteria and lactobacillus discovered through more than 50 years of our research to global markets.B-to-B development as an additive to Infant and toddler milk, raw material for supplements, etc.
North America MNF	3.5 billion yen 26 million \$	<ul style="list-style-type: none">Morinaga Nutritional Food: Established in Los Angeles in 1985, this company supplies US consumers with long-life TOFU made possible by Morinaga Milk technology and also plant-based foods.
Vietnam Elovi	4.8 billion yen 858 billion VND	<ul style="list-style-type: none">Elovi Vietnam Joint Stock Company : Acquired 100% of its shares in 2021, the company is a wholly owned subsidiary of Morinaga Milk.The company manufactures and sells products that include milk-based beverage and yogurt.



1 - 6 . Four Business Domains: Global Business, MILEI GmbH



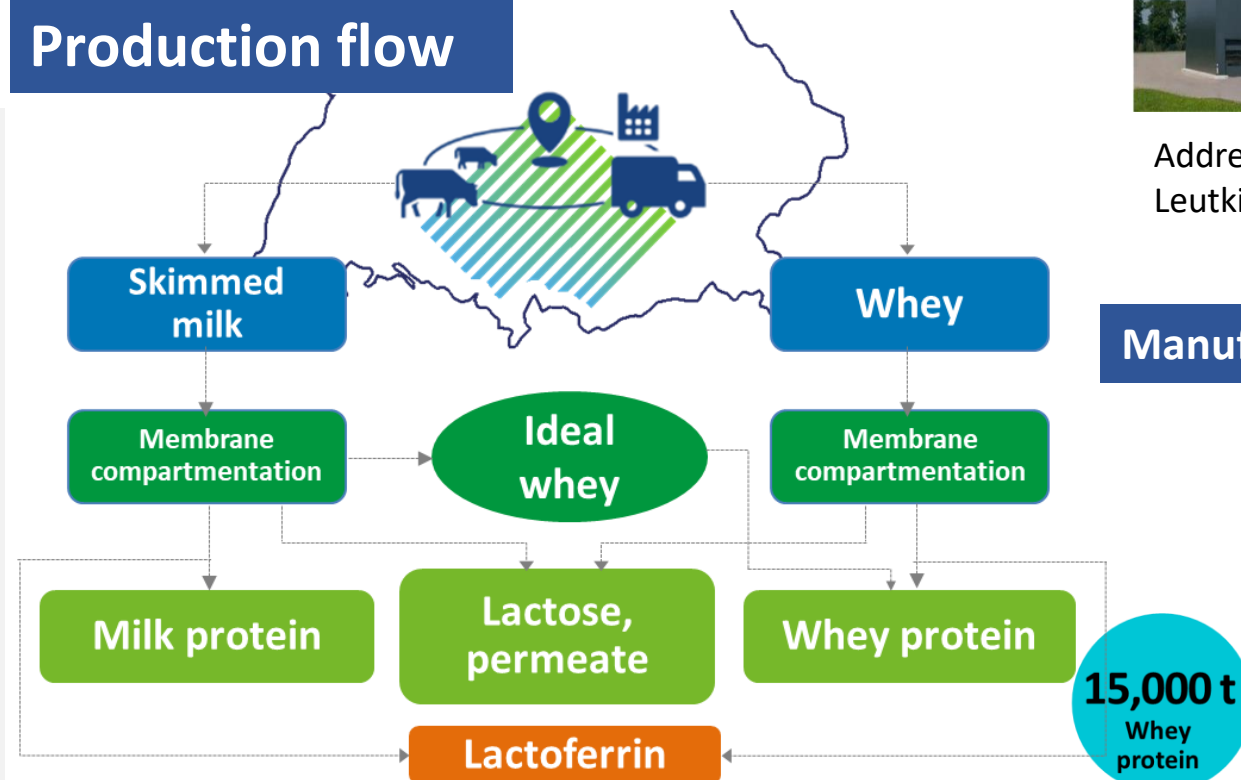
Global Business: MILEI GmbH

- Established as a joint venture by Morinaga Milk and other companies in 1972, the company is now a wholly owned subsidiary of Morinaga Milk. The company manufactures and sells products that include whey protein concentrate, lactose, and lactoferrin.

History

- 1972: MILEI GmbH was established, as a joint venture between four Japanese and European companies, for the purpose of processing and effectively utilizing whey, which was becoming a social problem at the time.
- 1975: Begins manufacturing whey powder and lactose
- 1976: Introduces compartmentation of membrane processes (begins WPC)
- 1989: Begins Manufacturing lactoferrin
- 2003–2006: Reinforces manufacturing capacity (UF membrane)
- 2012: Acquired as a wholly owned subsidiary of Morinaga Milk
- 2016: Begins phased commercial production at the new plant
- 2018: Completes construction of the new plant
- 2021: Reinforcement of lactoferrin manufacturing capacity
- 2022: Reinforcement of manufacturing to improve lactose quality

Production flow



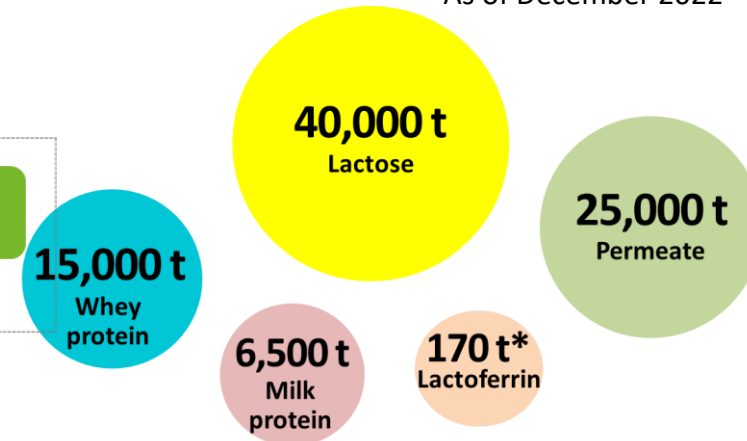
- Enters into long-term partnerships with local cheese makers and other suppliers of ingredients, primarily in the south of Germany, securing stable supply of high-quality ingredients
- After procuring these ingredients, it uses fractionation and pulverization processes to manufacture the various products



Address: Kemptener Strasse 91, 88299 Leutkirch, Germany

Manufacturing capacity

As of December 2022



1 - 6 . Four Business Domains: Global Business, MILEI GmbH



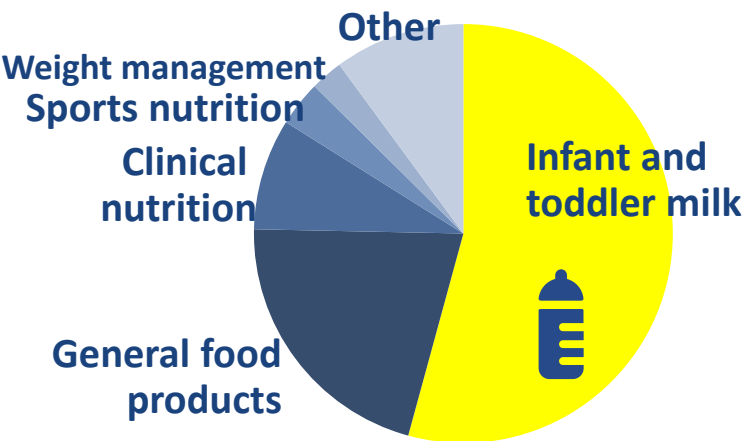
Global Business: MILEI GmbH

Sales area



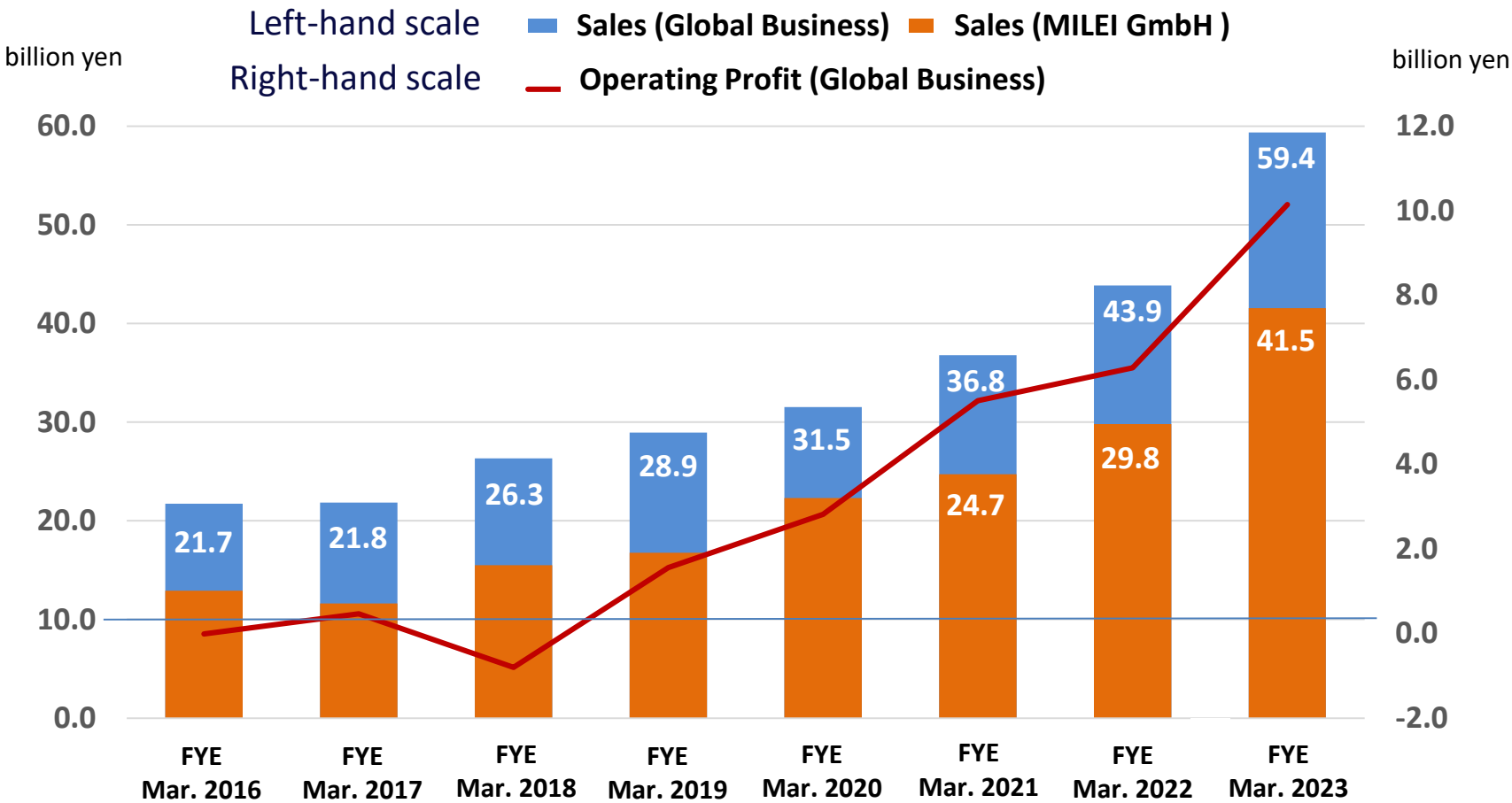
- Primary supply of products as raw materials for final products such as infant and toddler milk, mainly in Germany and Europe where MILEI GmbH is located.
- Expansion to Europe, the U.S., Asia, and various other countries and regions through suppliers.

Component of sales by application



Created from 2018-2022 cumulative sales

Global Business sales (including MILEI GmbH), Operating Profit Trends



1 - 7. Market Shares of Major Categories



Chilled cup-
type coffee
1st 41%



Chilled tea
1st 54%



Cheese
4th 10%



Yogurt
2nd 13%



Ice cream
3th 11%



Chilled
desserts
4th 14%

Note: Shares of home-use products by monetary amount

Source: INTAGE Inc.'s SRI+ (share of sales amounts in Apr 2022-Mar 2023)

1-8. Partner Brands



Kraft Foods is the biggest food company in North America. We formed a technical alliance with Kraft Foods in 1970 in the area of cheese and cheese-related products.



Lipton is a brand with over 100 years of history. It is a favorite of tea lovers worldwide.



Sunkist is a leading fruit brand in the U.S. In Japan, Morinaga Milk sells Sunkist brand fruit juices.



1 - 9 . Strength of Technologies & Proprietary Materials

To explore the amazing potential of milk, and to make optimal use of that potential.

- **Bifidobacteria**

Morinaga Milk has used its original technology to develop commercial uses for powdered bacteria. There is intense international interest in powdered Bifidobacteria.

- **Lactulose**

Morinaga Milk overcome major difficulties before succeeding in the production of powdered lactulose. There are many potential uses for this oligosaccharide.

- **Lactoferrin**

Morinaga Milk created the world's first infant formula containing powdered lactoferrin, which can be added to a wide variety of products.

- **Lac-Shield™**

Capable of providing useful effects even in small quantities, this product has minimal effect on flavor and is being used in an expanding range of processed foods.

- **Aloesterol®**

Morinaga Milk has obtained more than 10 Japanese patents for applications based on this rare functional food ingredient.

- **OrabARRIER®**

A highly safe original functional ingredient containing an antimicrobial component.

- **Peptides**

Original Morinaga Milk technology has resulted in the development of milk products for those who have milk allergies.



Multifunctional peptide, Lactoferrin



Bifidobacterium longum BB536

2. Medium-term Business Plan 2022-2024 (FYE Mar. 2023 ~ FYE Mar. 2025)

* For more information, please visit our website
<https://www.morinagamilk.co.jp/english/ir/management/plan/>

*** Partially updated on May 15, 2023**

2-1. Course of Action for the New Medium-Term Business Plan in Consideration of the Internal and External Environments



Opportunities	<ul style="list-style-type: none"> Increasing awareness of health worldwide Changing lifestyles as sustainable values spread Expanding Asian market 	Strengths	<ul style="list-style-type: none"> Organizational capacity to translate original ingredients and technology for tastiness into customer value Ownership of products and brands for people of all ages as a general dairy manufacturer Raw milk purchasing power in Japan, competitiveness of MILEI
Threats	<ul style="list-style-type: none"> Rapidly changing exchange rates and market conditions for raw materials and energy Contracting Japanese market driven by demographic changes Swift progression of digitization and emergence of e-commerce 	Weaknesses	<ul style="list-style-type: none"> Profit structure with high cost percentage (low profit rate) Aging manufacturing facilities and centers Cautious, conservative culture

Strengthening foundations

Transition to an aggressive approach

Achieving progress

The previous Medium-term Business Plan
FYE Mar. 2020 to FYE Mar. 2022

- Further enhancing our main brands
- Accelerating development of bifidobacteria and proprietary seeds
- Developing Global Business
- Performing business with an ESG-focus
- Improving profitability
- Further strengthening our business base

New Medium-term Business Plan 2022–2024
(from FYE March 2023 to FYE March 2025)

<To continue to be the company of choice>
We aim to resolve societal issues and improve sales growth and profitability!

Course of action

- | | |
|-----------------------|---|
| Basic policy 1 | Achieving sustainable growth by increasing the added value of our business |
| Basic policy 2 | Further strengthening our business base with an eye on the future |
| Basic policy 3 | Financial strategies focused on efficiency |

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 March 31, 2029>

- Ratio of operating income to net sales: At least 7%
- Global Business sales ratio: At least 15%
- ROE: At least 10%

2-2. Overview of the Medium-Term Business Plan 2022–2024 (FYE Mar. 2023 – FYE Mar. 2025)



<To continue to be the company of choice>

We aim to resolve societal issues and improve sales growth and profitability!

**Nutrition and
Healthcare Foods
Business**

**Core Dairy Foods
Business**

**B-to-B
Business**

**Global
Business**

Basic policy 1: Achieving sustainable growth by increasing the added value of our business

- We will create/expand high added value businesses in an effort to boost our sales growth and profitability, thereby improving value through social considerations and acquiring capital for further growth investments
- Rather than waiting for the market to recover from the pandemic, we will take the initiative to reform our business model to create opportunities for progress

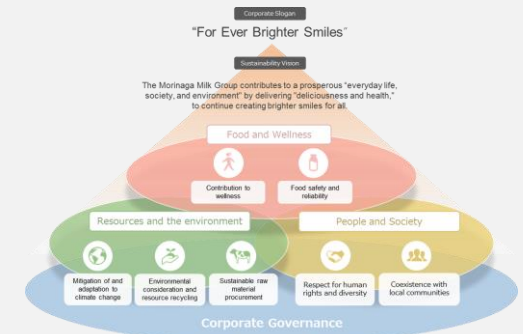
Basic policy 2: Further strengthening our business base with an eye on the future

- Structural reform: We will assume rapid changes to the external environment and proceed with our transformation into a company that triumphs despite adversity
- Strategic investment: We will further improve the Group's strengths in an effort to establish medium- and long-term competitive advantages
- Asset utilization: We will utilize our assets efficiently to improve added value and overhaul our organization

Basic policy 3: Financial strategies focused on efficiency

- We will strive to strategically execute growth investments and utilize funds with a focus that includes shareholder returns and our financial standing
- We will focus on capital efficiency and spread initiatives for improving ROE throughout the company

Sustainability Medium-to Long-Term Plan 2030



1. Formulate plans that focus on connections between businesses

⇒ Turn costs into opportunities for profit

2. Improve corporate value to boost employee motivation

⇒ Evolve into a company with preeminent sustainability management



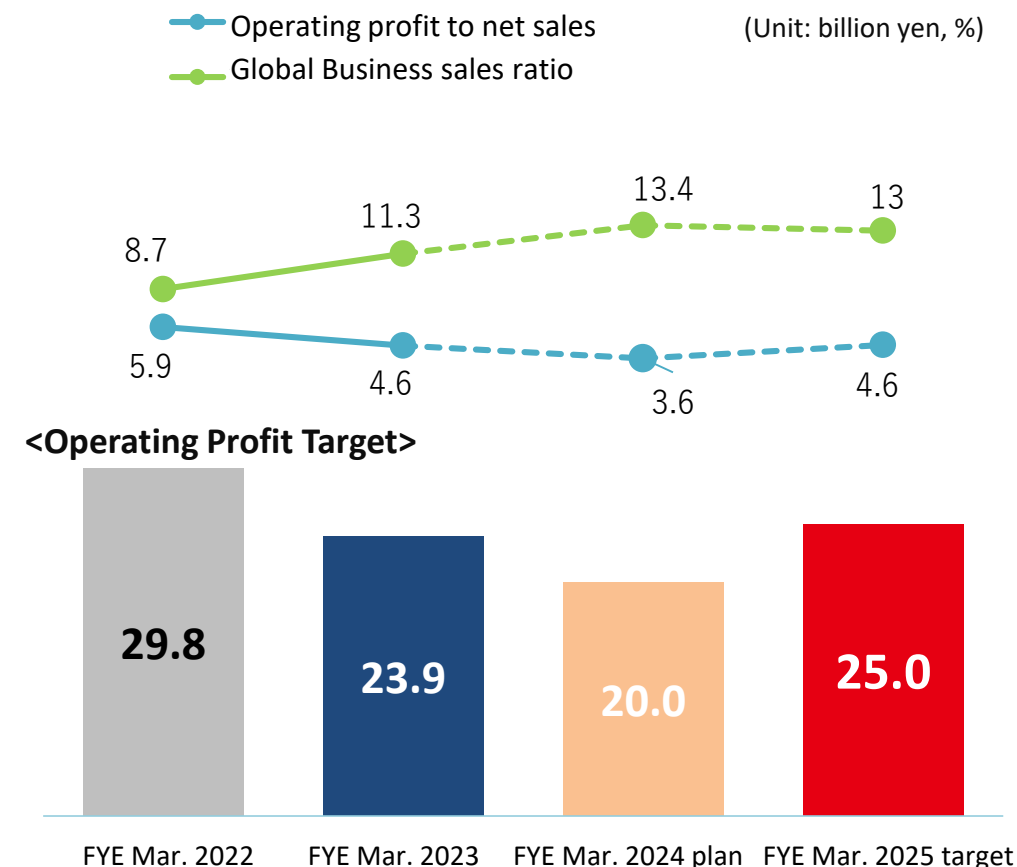
Interconnected

2-3. Numerical Targets for the Medium-Term Business Plan



Numerical targets for the final fiscal year of the Medium-Term Business Plan (ending March 31, 2025)

	FYE Mar. 2022	FYE Mar. 2023	FYE Mar. 2024	FYE Mar. 2025 target	(Unit: billion yen) Vs FYE Mar. 2022
Net sales	503.4	525.6	550.0	540.0	+36.6
Operating profit	29.8	23.9	20.0	25.0	-4.8
Profit attributable to owners of parent	33.8	16.9	57.7	16.0	-17.8
Operating profit to net sales	5.9%	4.6%	3.6%	4.6%	
ROE	16.7%	7.9%	23.1%	6%	
Global Business sales ratio	8.7%	11.3%	13.4%	13%	

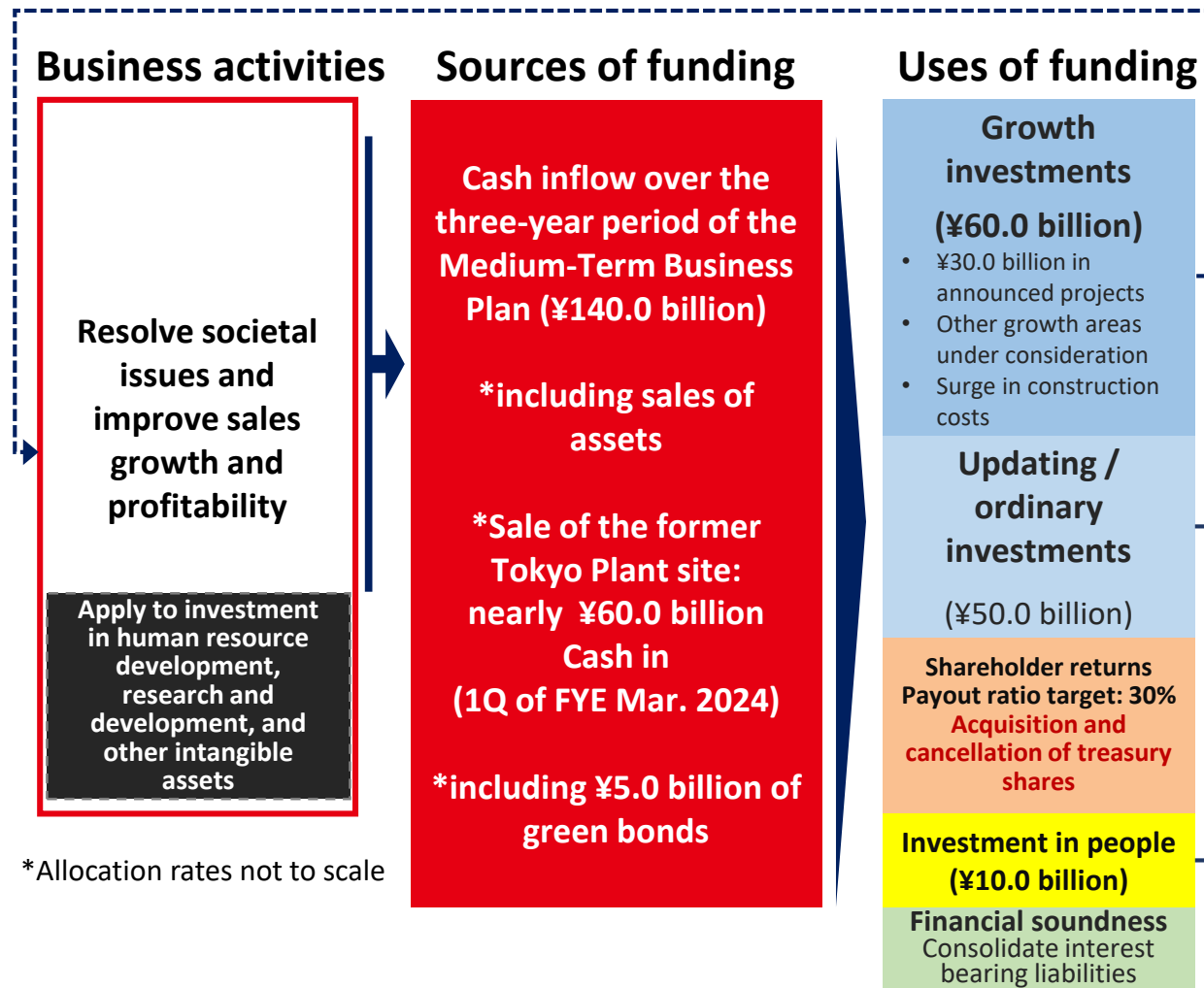


2 - 4 . Financial Strategies of the Medium-Term Business Plan 2022–2024

(FYE Mar. 2023 – FYE Mar. 2025)



Strategically Execute Growth Investments and Utilize Funds with a Focus that Includes Shareholder Returns and Our Financial Standing



Invest now to create operating cash flow in the distant future

- **Executed growth investments and M&As needed to achieve the 10-year Vision**
 - Projects announced at the start of FYE March 2023, overseas M&As: approx. ¥30.0 billion
 - Considered such other projects as capital investment at MILEI (€38 million), investment in growth areas including Kobe Plant production line (ice cream/yogurt), environment-related investments, and M&As.
 - Meanwhile, construction costs soared.

Strengthen shareholder returns

- **Payout ratio target: 30%** (excluding temporary factors)
 - FYE Mar. 2022: **20.5%***¹ → FYE Mar. 2023: **24.1%** → FYE Mar. 2024 forecast: **34.5%***²
- **Response that focuses on the total payout ratio**
 - Cancellation of treasury shares (Aug. 2022) 2,000,000 shares/4.01% of the total
 - Acquisition and cancellation of treasury shares (announced on May 15, 2022): 2,300,000 shares (upper limit)/¥10 billion (upper limit)/5.08% of the total***³

Investment in people for promotion of career development

- Considered **introduction of retirement benefit trust** aimed at securing funds for lump-sum retirement benefits in the future and making effective use of assets
- Considered introduction of scheme such as **employee stock benefit plan**

Ensure financial health with a medium- and long-term view

- Maintain the A rating to remain prepared for sudden changes in circumstances

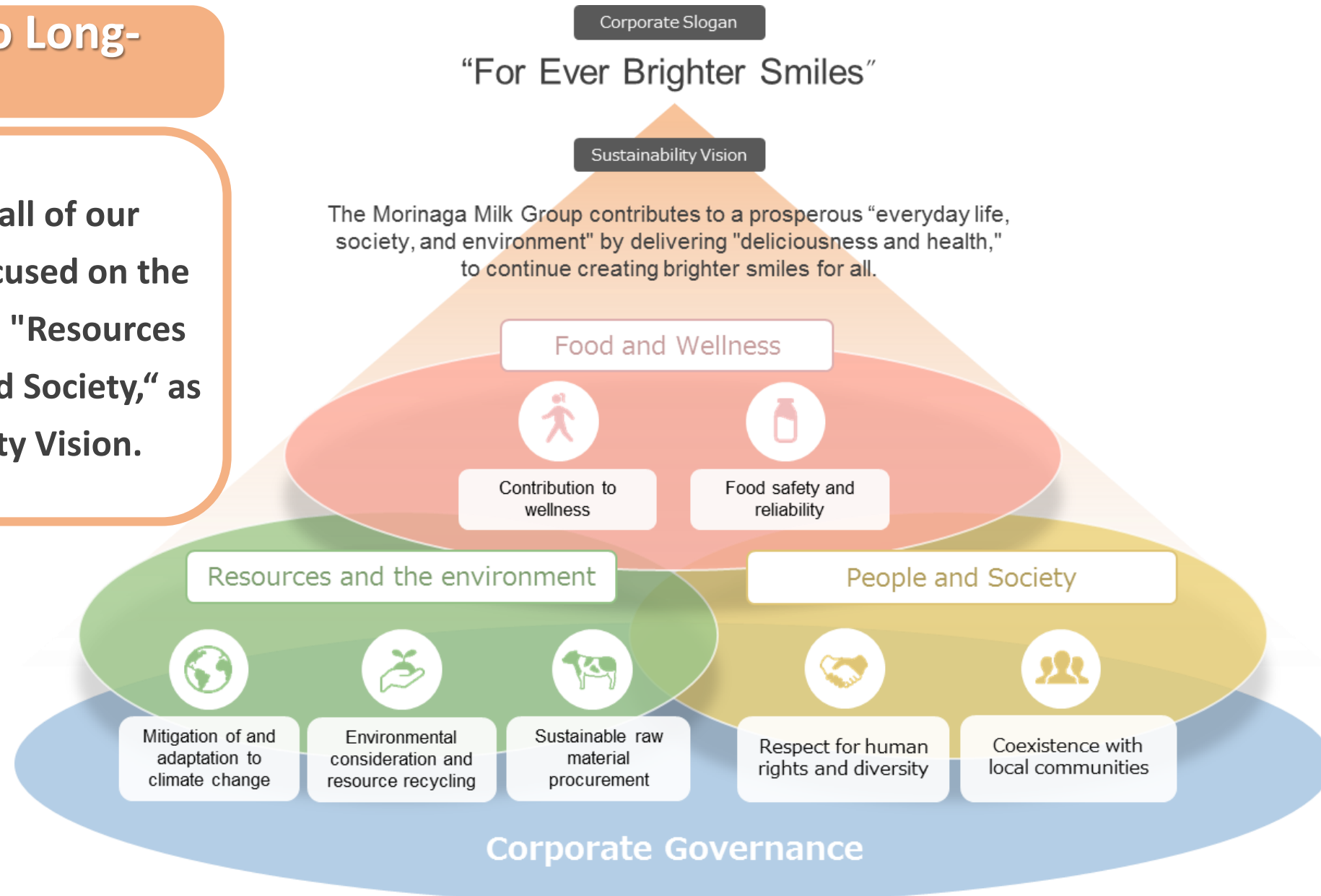
3. Sustainability Medium- to Long-Term Plan 2030

* For more information, please visit our website
<https://www.morinagamilk.co.jp/english/sustainability/>

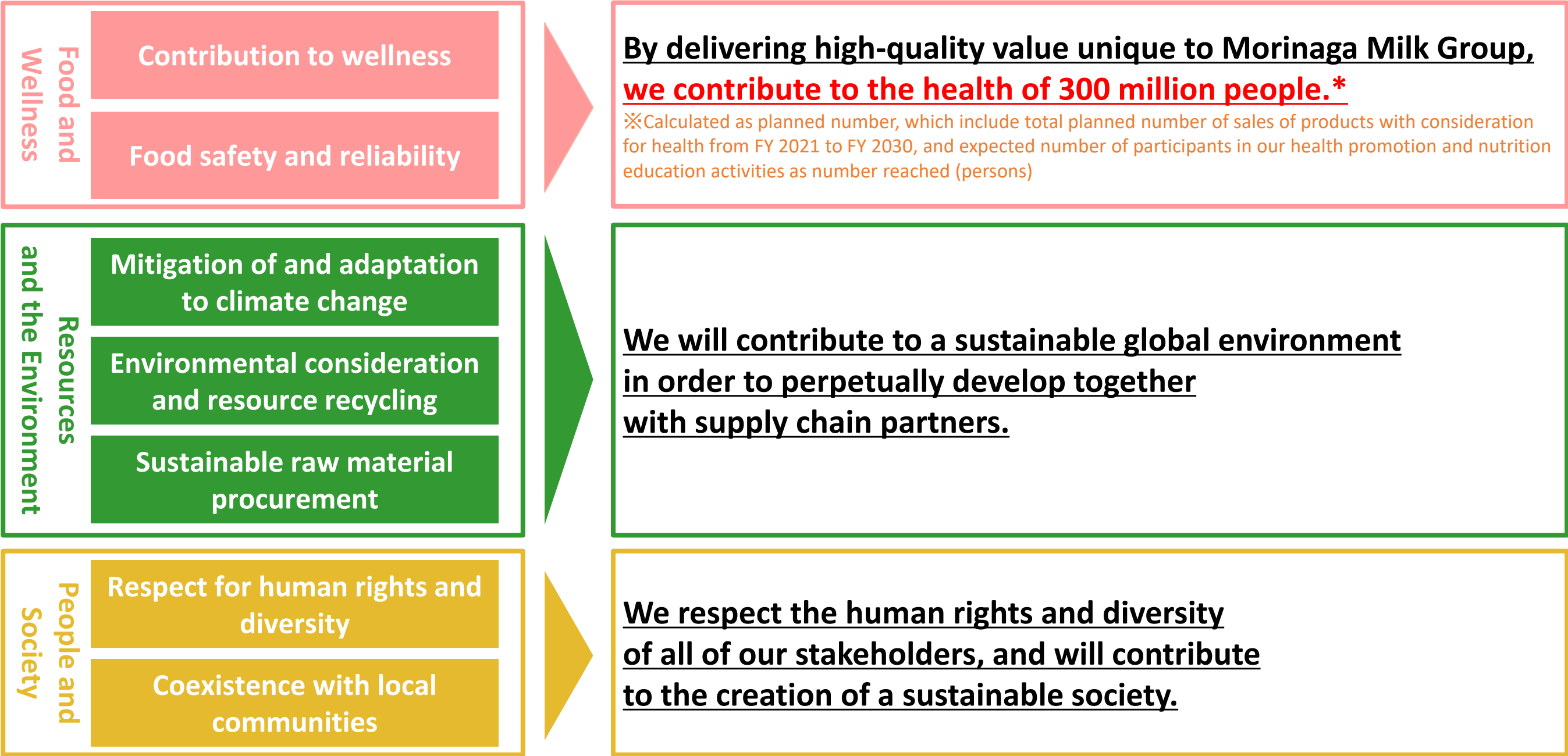
3 - 1. “Sustainability Medium- to Long-Term Plan 2030” system diagram

the Sustainability Medium- to Long-Term Plan 2030

In order to bring brighter smiles to all of our stakeholders, we conduct activities focused on the three themes of "Food and Wellness," "Resources and the Environment," and "People and Society," as we seek to achieve our Sustainability Vision.



3 - 2 . Objectives of Each Materiality Theme



3-3. Materiality Thematic Summary – “Food and Wellness” Medium- to Long-Term Target (FY2030)



【Our vision】
By delivering high-quality value unique to Morinaga Milk Group, we contribute to the health of 300 million people.

Contribution to Wellness

Net sales of products with consideration for health issues (compared with FY 2021)

1.7 fold

Participants in health promotion and nutrition education activities (FY 2021 to FY 2030)

Total 1,000,000

<Intermediate Target>
Total 350,000(by FY 2024)

five domains of Wellness

Active Nutrition(On)
Improvement of protein, calcium, iron, etc.
MILE Protein™
Essential Nutrition
Passive Nutrition(Off)
Low sugar, low fat, low salt, etc.
Physical Conditioning
Lifestyle improvement, Boost movement improvement, etc.
Health management, etc.
LAC-shield™, Lactulose
Mental Conditioning
Memory, Anti-stress, Happiness, Lactic acid bacteria

Increase in the number of published research papers on health and nutrition (including patent applications)

Increase our image as a company that contribute to health (Corporate brand image survey)

25% ← 15% (FY 2021)

Food safety and reliability

Acquisition of FSSC22000 and other GFSI certification standards at all Group manufacturing sites

100%

<Intermediate Target>(by FY 2024)
Maintenance and strengthening of certification at all domestic manufacturing sites

Enhancement of traceability mechanisms

Continuation of zero quality-related incidents and initiatives to ensure compliance with laws and regulations

3-3. Materiality Thematic Summary – “Resources and the Environment” Medium- to Long-Term Target (FY2030)

【Our vision】
 We will contribute to a sustainable global environment in order to perpetually develop together with supply chain partners.

Mitigation of and adaptation to climate change

Scope 1 + 2 CO₂ emissions reduction rate 38% or higher (compared to FY 2013)	Scope 3 GHG emissions reduction rate 10% or higher (compared to FY 2020)
<Intermediate Target> 23% or higher (by FY 2024)	<Intermediate Target> 3% or higher (by FY 2024)

Aiming for **carbon neutrality** by 2050

Percentage of sites formulating BCPs to address climate change **1 0 0 %**

Sustainable raw material procurement

Rate of transition to RSPO mass balance certification (by FY 2028) 100%	Usage ratio of FSC-certified or other environmentally friendly paper 1 0 0 % (by FY 2024)
<Intermediate Target> 8 0 % or higher (by FY 2023)	

Expansion of support for raw material suppliers

Environmental consideration and resource recycling

ISO14001 certification maintenance rate at domestic manufacturing sites 1 0 0 %	Petroleum-derived virgin plastic usage reduction rate 25% or higher (compared to FY 2013)	Industrial waste recycling rate Achievement of zero emissions	Water resource usage reduction rate 15% or higher (compared to FY 2013)	Rate of accommodation of environmentally friendly design in major brands 1 0 0 %
<Intermediate Target>(by FY 2024) Completion of certification acquisition at domestic manufacturing sites	<Intermediate Target>(by FY 2024) 10% or higher	<Intermediate Target>(by FY 2024) 9 9 %	<Intermediate Target>(by FY 2024) 11% or higher	

3-3. Materiality Thematic Summary – “People and Society” Medium- to Long-Term Target (FY2030)



【Our vision】
We respect the human rights and diversity of all of our stakeholders, and will contribute to the creation of a sustainable society.

Respect for human rights and diversity			Coexistence with local communities
<div>Continuous compliance with our Human Rights Policy throughout the supply chain</div> <div><Intermediate Target> (by FY 2024)</div> <div>Human rights due diligence execution and measures; construction of continuity system</div>	<div>Ratio of Female Managers</div> <div>10% or higher</div> <div><Intermediate Target> (by FY 2024)</div> <div>6% or higher</div>	<div>Childcare leave usage ratio (men)</div> <div>100%</div>	<div>Total number of participants in community activities at business sites</div> <div>(From FY 2021 to FY 2030)</div> <div>Total 100,000</div> <div><Intermediate Target> (by FY 2024)</div> <div>Total 37,000</div>
<div>Turnover for elderly care</div> <div>0</div> <div>people (by FY 2024)</div>	<div>Amount of investment in human resource development</div> <div>40,000</div> <div>yen/person/year</div>	<div>Number of major work-related accidents</div> <div>0</div> <div>(continued enforcement)</div>	<div>Ratio of Group business sites carrying out community activities</div> <div>100%</div> <div><Intermediate Target> (by FY 2024)</div> <div>Domestic 100%</div>

Appendix

Appendix (Overview of Morinaga Milk Group)

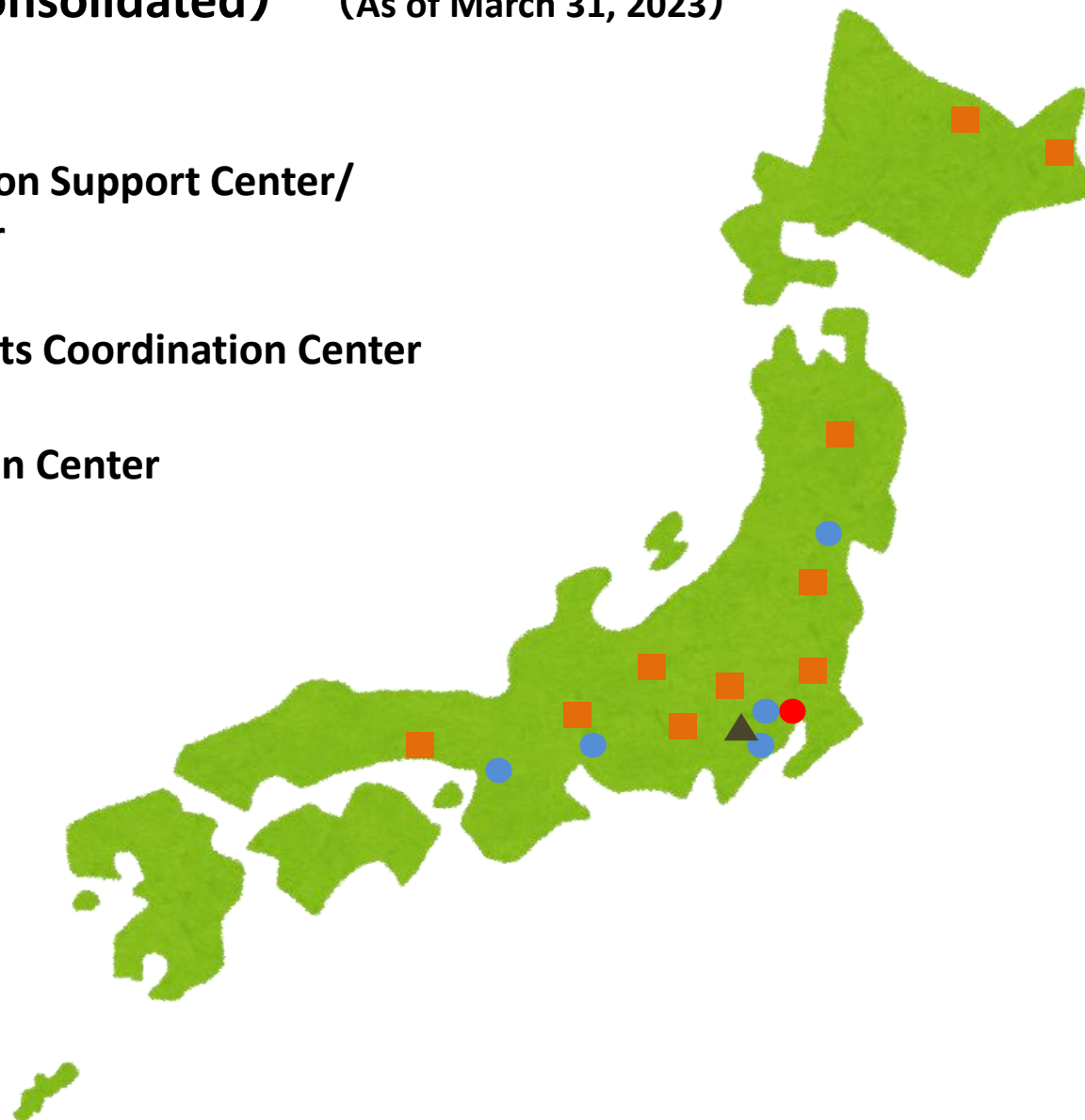
Company name	Morinaga Milk Industry Co., Ltd.
Head office	33-1, Shiba 5-chome, Minato-ku, Tokyo
Founded	September 1, 1917
Established	April 13, 1949
Capital	¥21,821 million
Employees	Consolidated 7,040 (M 5,286 F 1,754) Non-consolidated 3,325 (M 2,659 F 666)
Representative	Michio Miyahara (Chairman and Representative Director) Yohichi Ohnuki (President and Representative Director) Teiichiro Okawa (Executive Vice President and Representative Director)
Business year	From April 1 to March 31 in the following year
Date of record for shareholders eligible to receive dividends	March 31 (The company doesn't pay an interim dividend.)
Group	32 consolidated subsidiaries and two equity method companies



Appendix (Overview of Morinaga Milk Group)

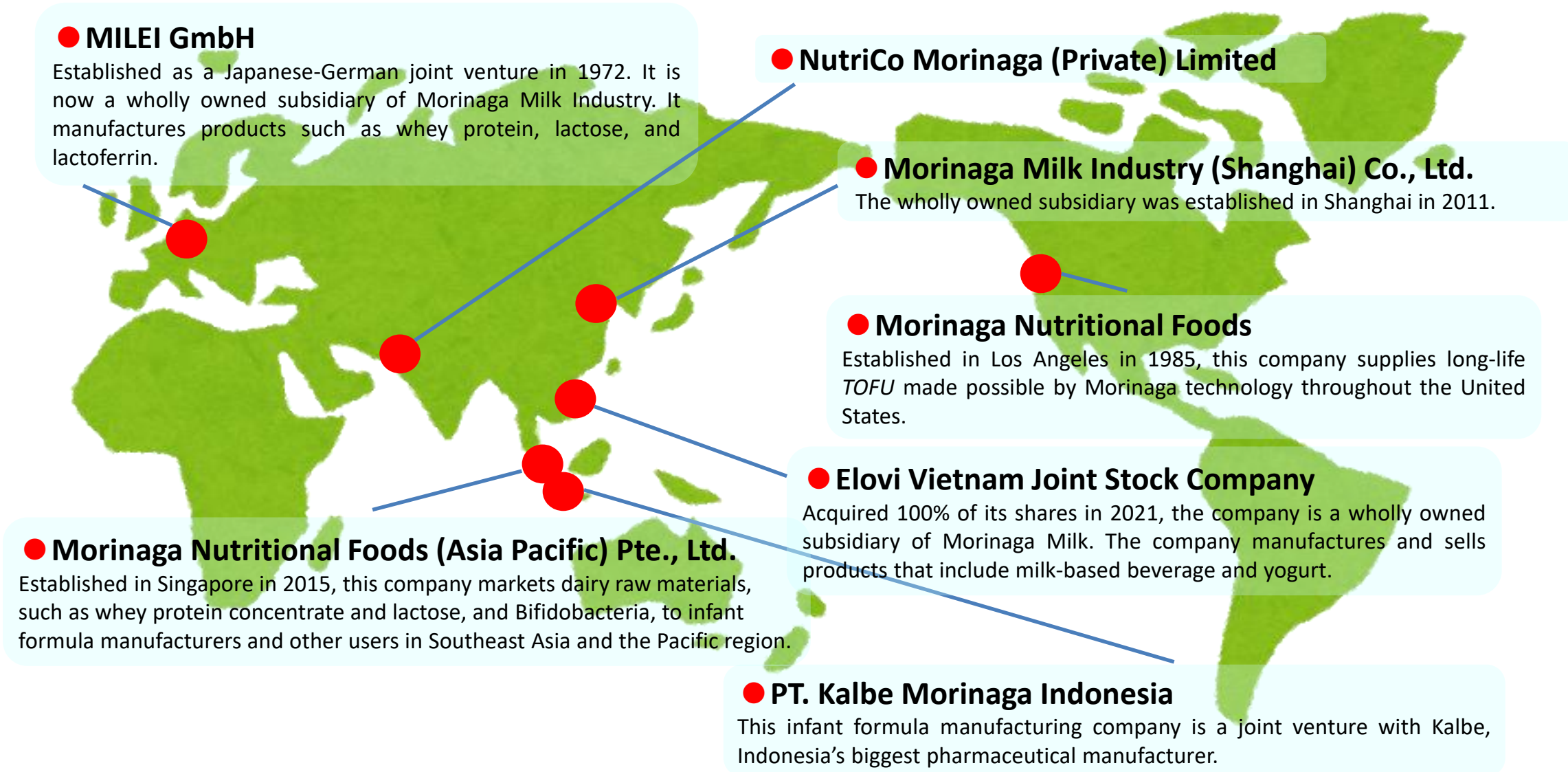
Business Sites (Non-Consolidated) (As of March 31, 2023)

- Head Office
- Branch/Administration Support Center/
Order Control Center
- Plant/Chilled Products Coordination Center
- ▲ Research/Information Center



Appendix (Overview of Morinaga Milk Group)

Business Sites (Overseas) (As of March 31, 2023)



Appendix (Overview of Morinaga Milk Group)

Chronology of Morinaga Milk (1917-1971)

- Sep. 1917 Founded as Nippon Rennyu Co., Ltd. *To procure condensed milk for the Milk Caramel of Morinaga & Co., Ltd.
- May. 1919 Launched Morinaga Milk, small cans of condensed milk
- Jul. 1920 Merged Nippon Rennyu with Morinaga & Co., Ltd.
- Nov. 1921 Launched Morinaga Dried Milk (infant formula) *It is Japan's first domestically infant formula by machinery.
- Apr. 1927 Split off the Rennyu Division to establish Morinaga Rennyu Co., Ltd.
- Dec. 1929 Launched Morinaga Pasteurized Milk (bottled milk)
- May. 1941 Changed company name to Morinaga Milk Industry Co., Ltd.
- Oct. 1942 Merged Morinaga & Co., Ltd. with Morinaga Milk Industry Co., Ltd., Morinaga Food Industry Co., Ltd., Tokai Seika KK, Ltd., and Morinaga Kansai Milk Co., Ltd.
- Apr. 1949 Re-established Morinaga Milk Industry Co., Ltd.
- Sep. 1954 Listed shares on the Tokyo Stock Exchange
- Aug. 1955 Morinaga Arsenic Milk Poisoning Incident occurred
- Apr. 1961 Launched Creap (creaming powder)
- Feb. 1970 Affiliation with Kraft, Inc. *currently the Kraft Foods Group Brands LLC, others.
- Dec. 1971 Conclusion of a trademark licensing agreement with Sunkist Growers, Inc.

Appendix (Overview of Morinaga Milk Group)

Chronology of Morinaga Milk (1972-2022)

Feb. 1972	Established MILEI GmbH, a joint venture company in West Germany
Apr. 1974	Established Public Interest Incorporated Foundation Hikari Kyokai
Nov. 1978	Launched Morinaga Bifidus Yogurt
May. 1984	Established affiliation with Lipton Japan *currently Ekaterra Japan Service K.K.
May. 1985	Established Morinaga Nutritional Foods, Inc. to expand the sales of aseptically packaged TOFU in the U.S.
Feb. 1993	Launched Mt. RAINIER CAFFÈ LATTE (milk-based beverage in an aseptic cup)
Dec. 1994	Launched Morinaga Aloe Yogurt
Apr. 2005	Launched PARM (ice cream bar)
Sep. 2011	Launched PARTHENO, a Greek-style yogurt
Nov. 2011	Concluded a technical assistance agreement with the Want Want Group
May. 2012	Capitalized MILEI GmbH as a wholly owned subsidiary
Dec. 2015	Established Morinaga Nutritional Foods (Asia Pacific) Pte. Ltd. in Singapore
Oct. 2016	New factory for MILEI GmbH begins operation
Sep. 2017	Celebrated the 100 th anniversary of the founding of Morinaga Milk Industry, Co., Ltd.
Apr. 2019	Launched Triple Yogurt
Jun. 2021	Vietnamese company Elovi wholly owned subsidiary

Appendix (Business domains of former classification)

(Unit: billion yen)

Sales	FYE March 2018	FYE March 2019	FYE March 2020	FYE March 2021	FYE March 2021 (After Application)	FYE March 2022
B-to-C	322.7	310.7	305.7	310.0	262.3	260.1
Wellness	48.8	49.1	55.7	55.5	43.0	44.2
B-to-B	95.5	96.9	96.7	78.9	74.2	82.1
Global	26.3	28.9	31.5	37.2	36.8	43.9
Other/Eliminated	98.8	97.9	101.3	101.9	72.4	73.1
Total	592.1	583.6	590.9	583.6	488.7	503.4

Operating Profit	FYE March 2018	FYE March 2019	FYE March 2020	FYE March 2021	FYE March 2021 (After Application)	FYE March 2022
B-to-C	11.5	10.5	12.6	16.1	16.1	14.6
Wellness	2.5	3.1	4.2	3.5	3.5	3.8
B-to-B	6.1	5.8	5.3	2.6	2.6	3.4
Global	-0.8	1.6	2.8	5.5	5.5	7.2
Other/Eliminated	2.4	1.3	0.4	1.2	1.2	0.8
Total	21.7	22.3	25.4	28.9	28.9	29.8



“For Ever Brighter Smiles”
MORINAGA MILK INDUSTRY CO., LTD.

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.