

# Morinaga Milk Corporate Profile

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(Securities code: 2264)

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

As of February, 2024

## 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 Mission

### Corporate Slogan

**“For Ever Brighter Smiles”**

### Corporate Philosophy

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

# 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)

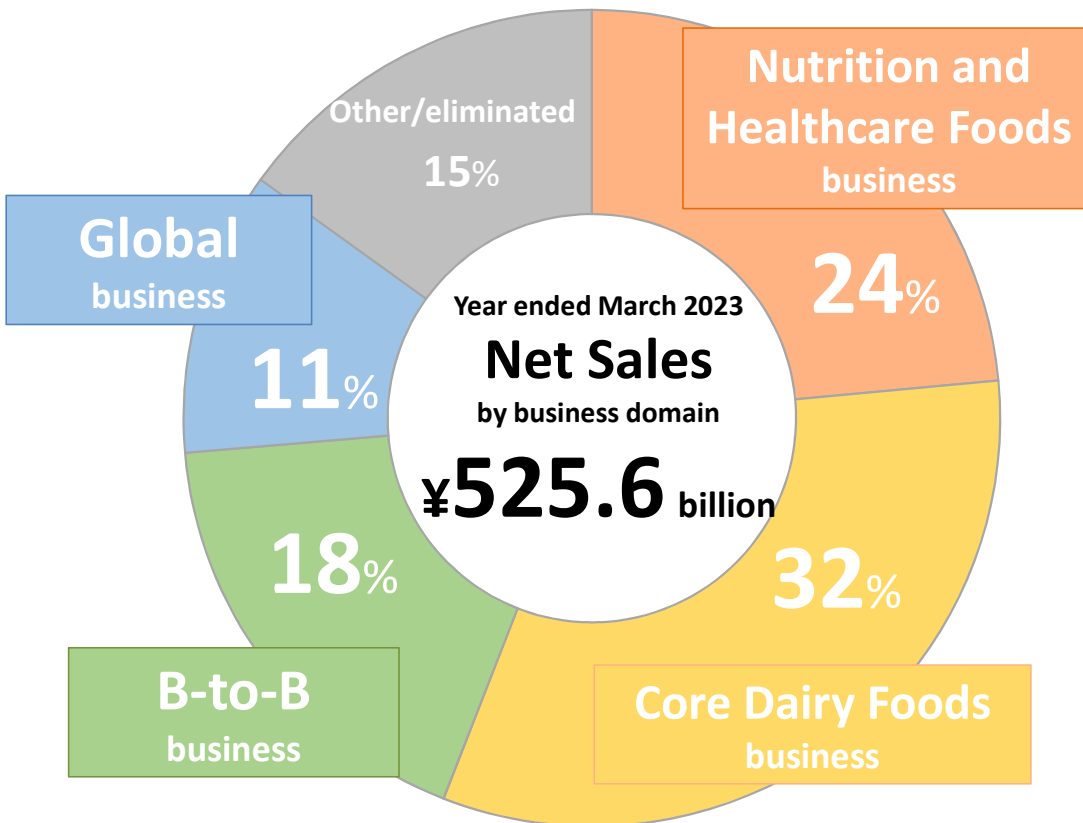
Operating profit margin	3.8 % <sup>*</sup>		<u><b>At least 7%</b></u>
R O E	8.6 % <sup>*</sup>		<u><b>At least 10%</b></u>
Ratio of overseas sales	5.0 % <sup>*</sup>		<u><b>At least 15%</b></u>

<sup>\*</sup> The figures are for the fiscal year ended March 2019.

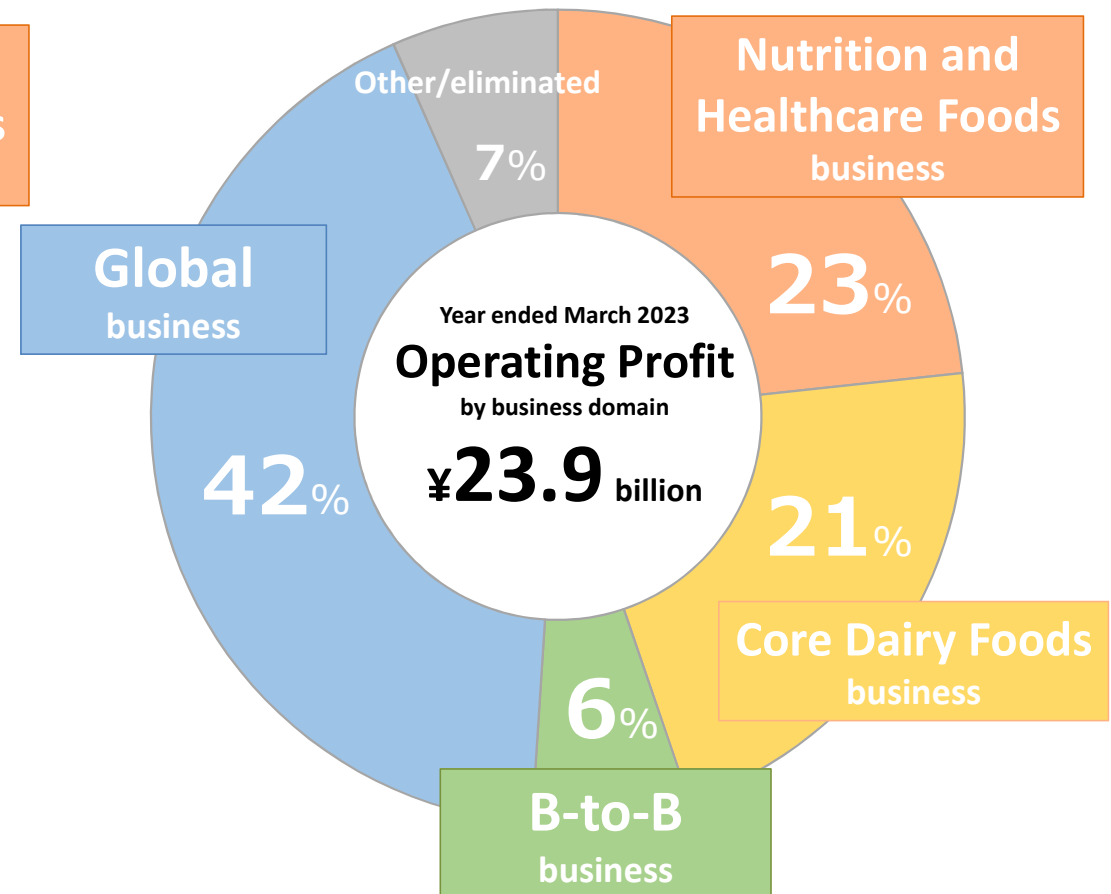
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# 1 - 3 . Group Business Structure

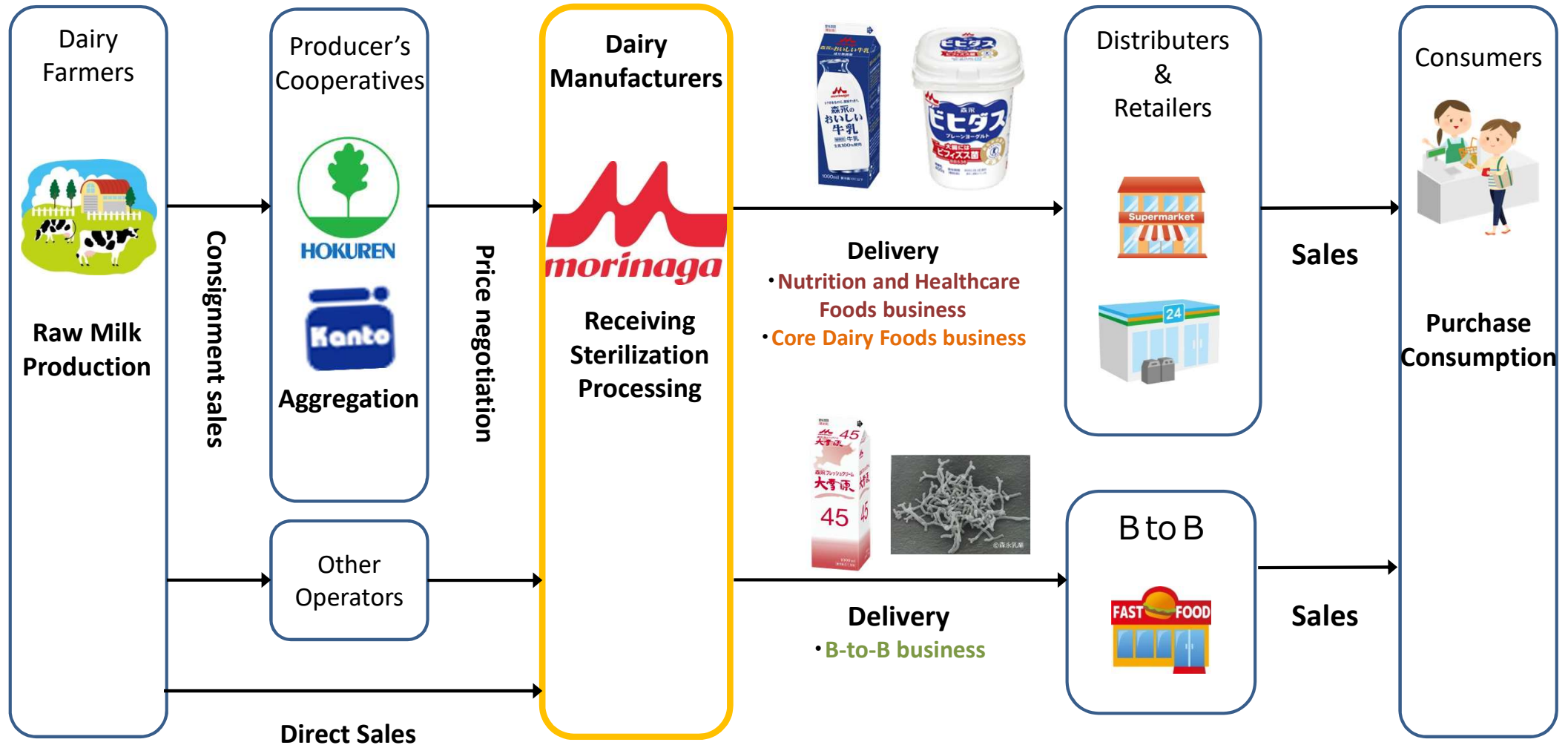
## Net Sales



## Operating Profit

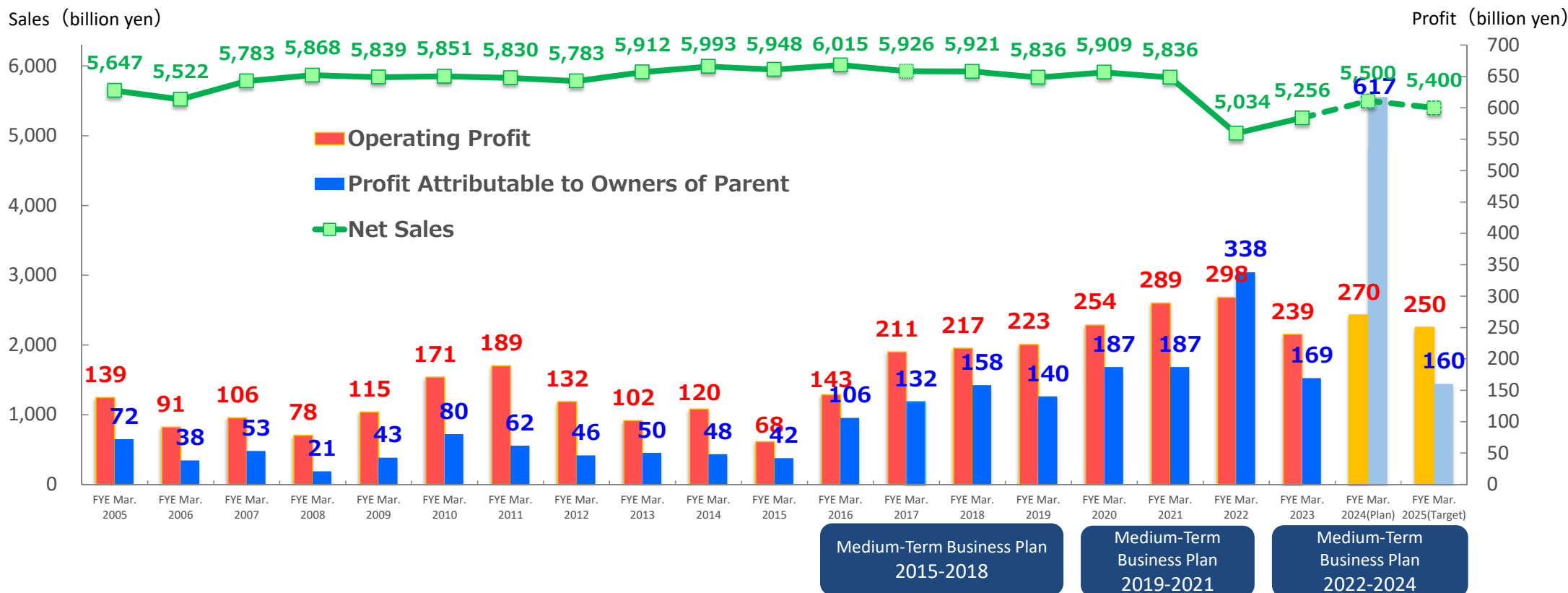


# 1 - 4 . Distribution of Milk and Dairy products



# 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 2024: **Operating profit (forecast): 27.0 billion yen, Operating profit to sales (forecast): 4.9%.**

• 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 (%)
<b>Net Sales</b>	590.9	583.6	503.4	525.6	+22.2	+4.4%	<b>550.0</b>	<b>+24.4</b>	<b>+4.6%</b>
<b>Operating Profit</b>	25.4	28.9	29.8	23.9	-5.9	-19.6%	<b>27.0</b>	<b>+3.1</b>	<b>+12.8%</b>
<b>Ordinary Profit</b>	25.9	30.1	31.1	25.2	-5.9	-19.0%	<b>28.0</b>	<b>+2.8</b>	<b>+11.0%</b>
<b>Profit</b> Attributable to Owners of Parent	18.7	18.7	33.8	16.9	-16.9	-50.0%	<b>61.7</b>	<b>+44.8</b>	<b>+265.6%</b>
<b>Operating Profit to Net Sales</b>	4.3%	4.9%	5.9%	4.6%			<b>4.9%</b>		
<b>ROE</b> (Net Income / Equity Capital)	10.7%	9.8%	16.7%	7.9%			<b>24.5%</b>		



# 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 * <sub>1</sub>	FYE March 2023 * <sub>2</sub>	Year on Year (%) * <sub>2</sub>	FYE March 2023 E	Year on Year (%)
<b>Nutrition and Healthcare Foods Business</b>							
Yogurt	53.6	58.8	53.1	53.2	0%	<b>53.9</b>	<b>+1%</b>
Commercial milk (Home deliveries, etc.)	21.5	20.9	19.3	19.0	-1%	<b>18.7</b>	<b>-1%</b>
Nutritional food products	-	-	12.9	12.6	-2%	<b>12.7</b>	<b>+1%</b>
CLINICO Co., Ltd.	-	-	24.6	25.3	+3%	<b>26.3</b>	<b>+4%</b>
<b>Core Dairy Foods Business</b>							
Beverages	58.1	54.5	45.3	50.3	-6%	<b>55.9</b>	<b>+11%</b>
Ice cream	44.7	46.6	39.8	42.0	+3%	<b>45.0</b>	<b>+7%</b>
Cheese	32.8	35.2	26.0	25.1	-4%	<b>26.5</b>	<b>+6%</b>
Milk	61.8	59.0	54.1	43.4	+1%	<b>45.4</b>	<b>+5%</b>
Chilled desserts	8.9	8.8	7.9	7.3	+1%	<b>7.0</b>	<b>-4%</b>

\*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.

# 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 * <sub>1</sub>	FYE March 2023 * <sub>2</sub>	Year on Year (%) * <sub>2</sub>	FYE March 2023 E	Year on Year (%)
Global Business								
MILEI GmbH	(Billions of yen) (Millions of euros)	-	24.7 195	29.8 229	41.5 295	+39% +29%	-	-
NutriCo Morinaga	(Billions of yen) (Billions of PKR)	-	-	-	-	-	-	-
MNF	(Billions of yen) (Millions of USD)	-	-	2.9 25	3.5 26	+19% +4%	-	-
Elovi	(Billions of yen) (Billions of VND)	-	-	3.5 685.6	4.8 858.4	+38% +25%	-	-

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








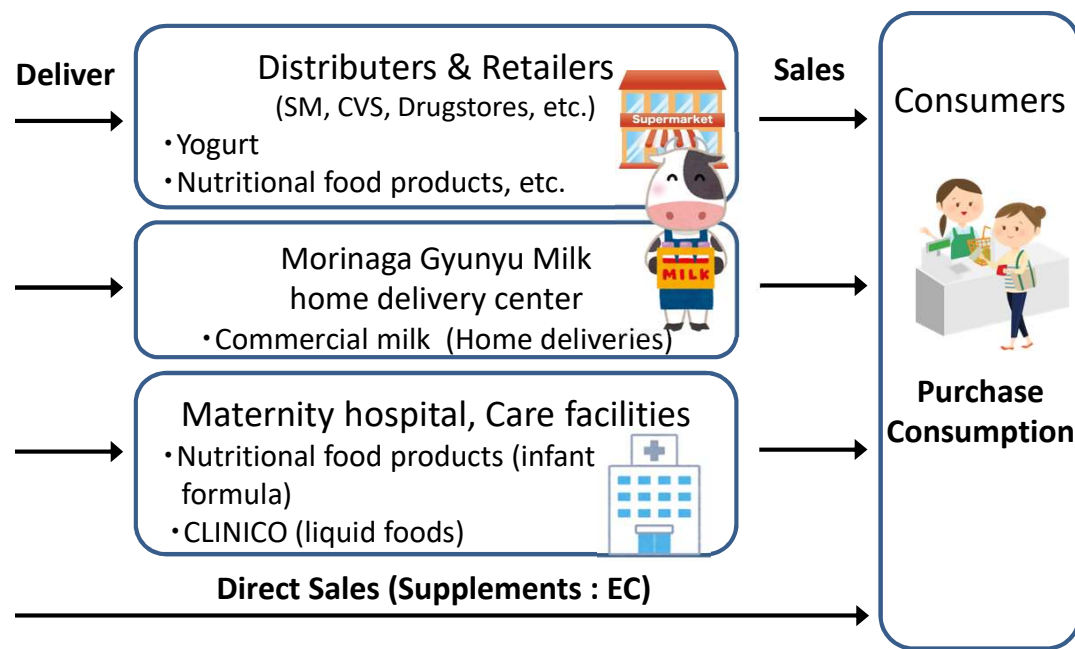
## Nutrition and Healthcare Foods Business

Net Sales : 123.7 billion yen

Operation Profit : 5.6 billion yen (Operating profit margin: 4.5%) (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)
	<b>Net Sales</b> (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

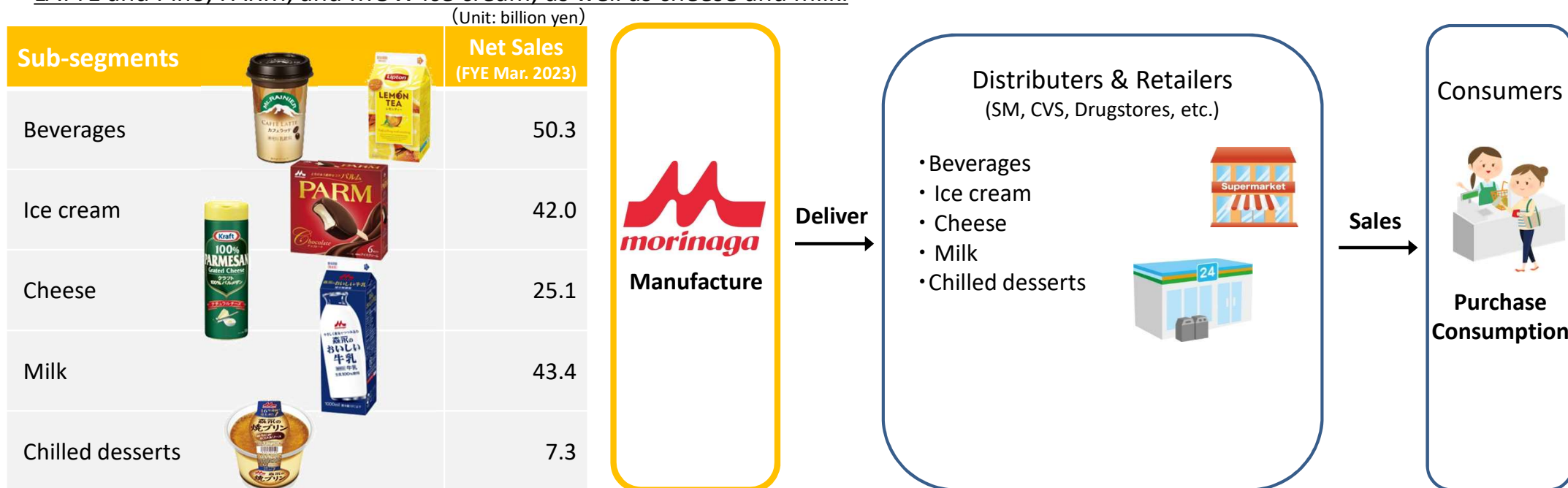


## Core Dairy Foods Business

Net Sales : 170.2 billion yen

Operation Profit : 5.1 billion yen (Operating profit margin: 3.0%) (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.

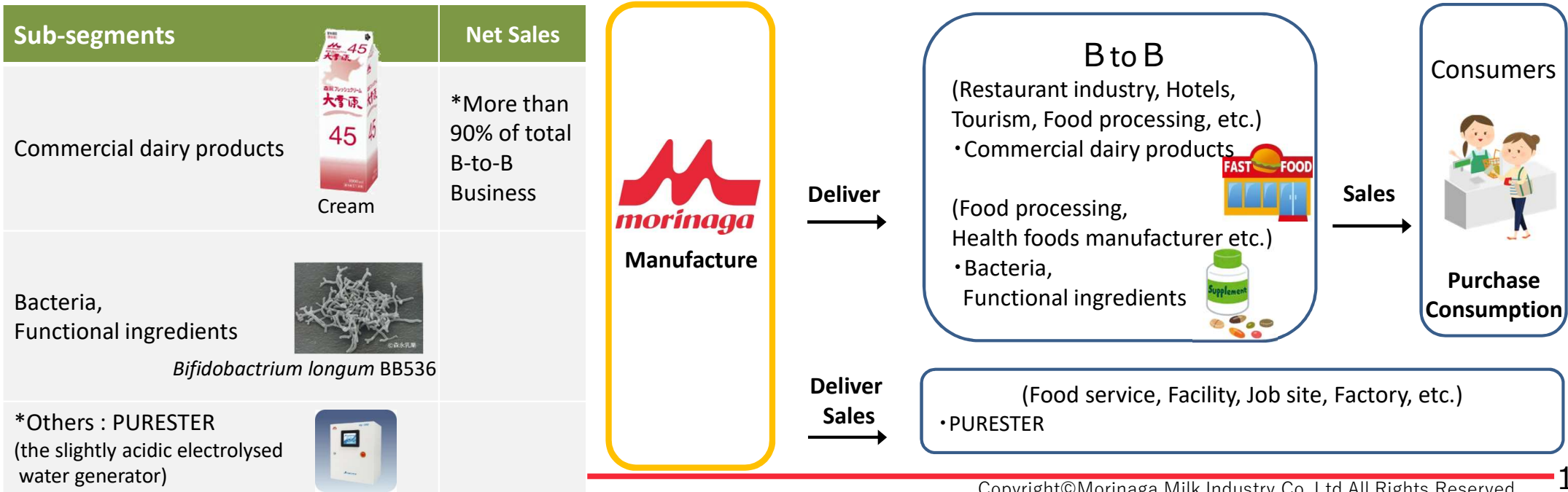


# 1 - 6 . Four Business Domains: B-to-B Business

## B-to-B Business

Net Sales : 93.2 billion yen  
 Operation Profit : 1.5 billion yen (Operating profit margin: 1.6%) (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.



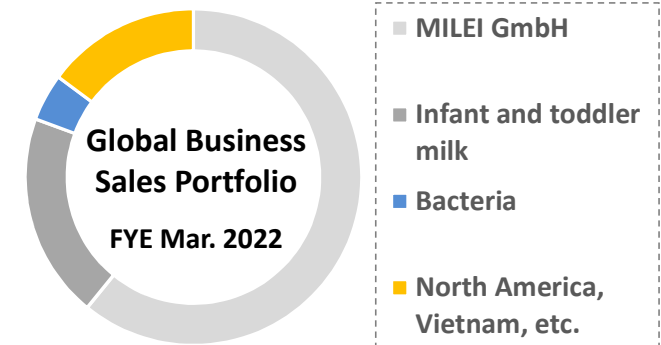
# 1 - 6. Four Business Domains: Global Business

## Global Business

Net Sales : 59.4 billion yen

Operation Profit : 10.1 billion yen (Operating profit margin: 17.1%) (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"> <li>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.</li> </ul>
Infant and toddler milk (Exports, Joint venture)		<ul style="list-style-type: none"> <li>Exports: Expanding mainly in Asian countries such as Pakistan, Vietnam, Malaysia, etc.</li> <li>Joint venture: Pakistan (NutriCo Morinaga), Indonesia (PT.Kalbe Morinaga Indonesia), Vietnam (Morinaga Le May)</li> </ul>
Bacteria		<ul style="list-style-type: none"> <li>Exporting bifidobacteria and lactobacillus discovered through more than 50 years of our research to global markets.</li> <li>B-to-B development as an additive to Infant and toddler milk, raw material for supplements, etc.</li> </ul>
North America MNF (U.S.A. PBF)	3.5 billion yen 26 million \$	<ul style="list-style-type: none"> <li>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.</li> <li>Turtle Island Foods (TIF): MNF subsidiary, manufacturing and sales of PBF, including "Tofurky" brand</li> </ul>
Vietnam Elovi	4.8 billion yen 858.4 billion VND	<ul style="list-style-type: none"> <li>Elovi Vietnam Joint Stock Company : Acquired 100% of its shares in 2021, the company is a wholly owned subsidiary of Morinaga Milk.</li> <li>The company manufactures and sells products that include milk-based beverage and yogurt.</li> </ul>



Lactoferrin

Exporting Infant and toddler milk to Pakistan and other Asian countries



Bifidobacterium longum BB536



Plant-based foods business in North America  
"MORI-NU PLUS"



Elovi (Vietnam) 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.

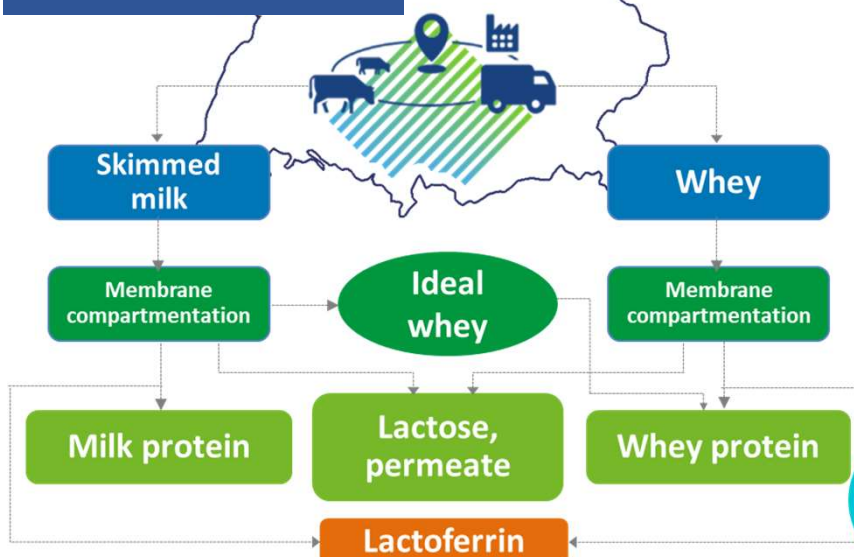


Address: Kemptener Strasse 91, 88299  
Leutkirch, Germany

### 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

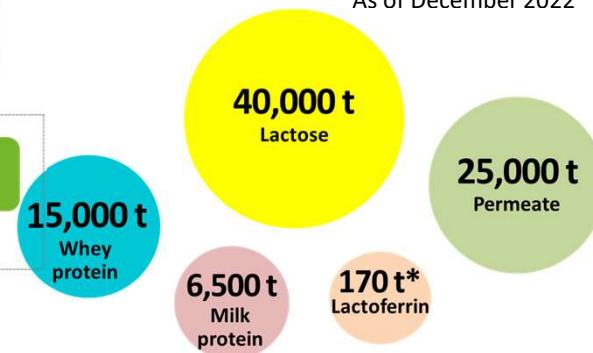
### Production flow



- 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

### Manufacturing capacity

As of December 2022



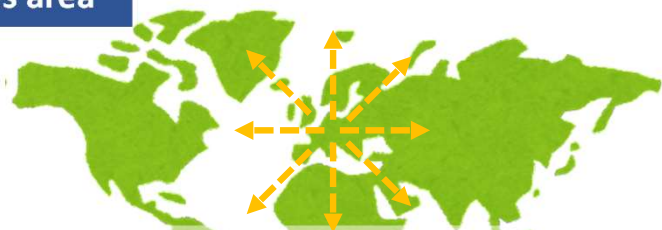


# 1 - 6. Four Business Domains: Global Business, MILEI GmbH



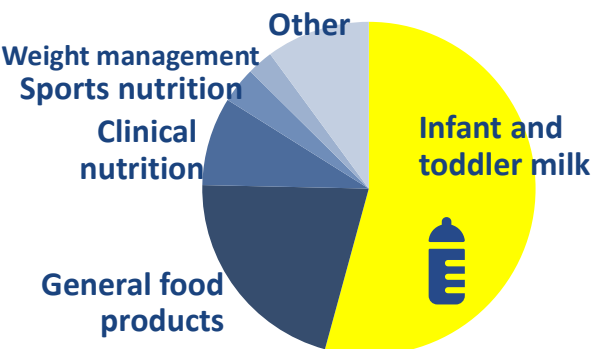
## Global Business: MILEI GmbH

### Sales area



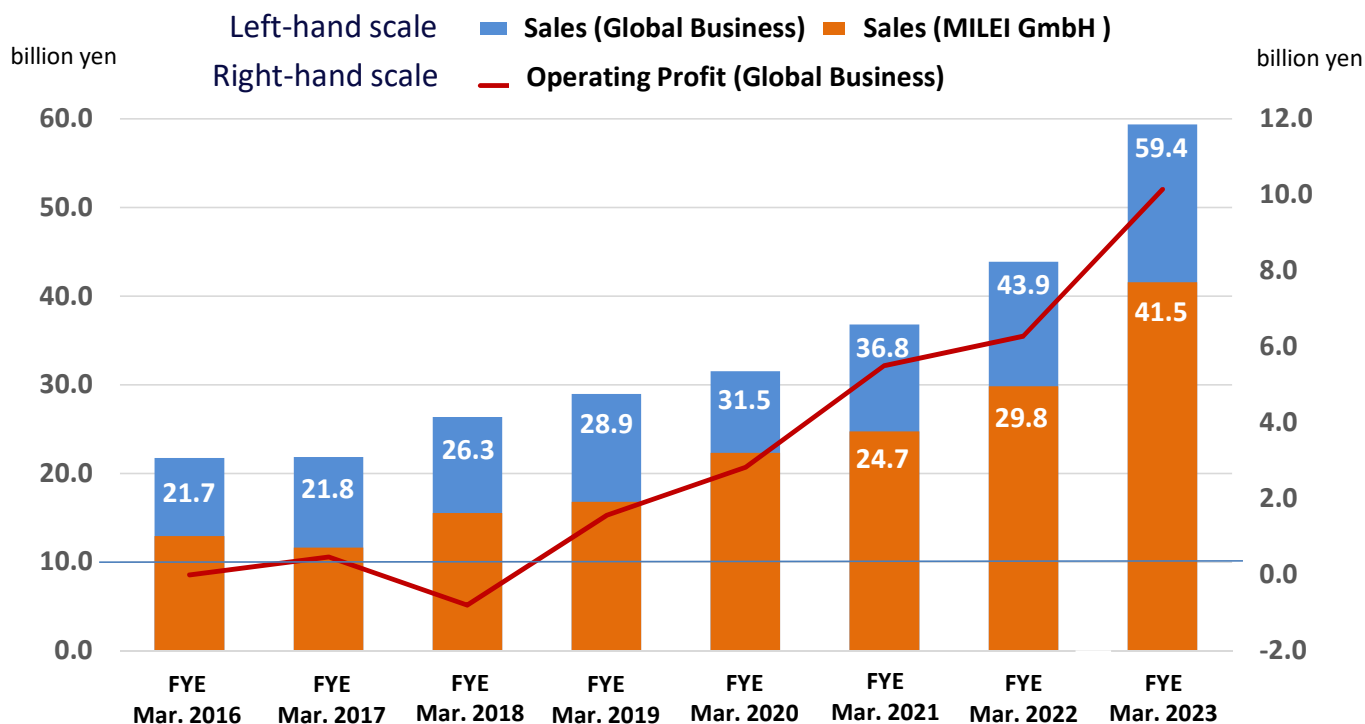
- Primary supply of products as raw materials for final products such as infant and toddler milk, mainly in Germany and Europe where MILEI GmbH is located.
- Expansion to Europe, the U.S., Asia, and various other countries and regions through suppliers.

### 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



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

**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

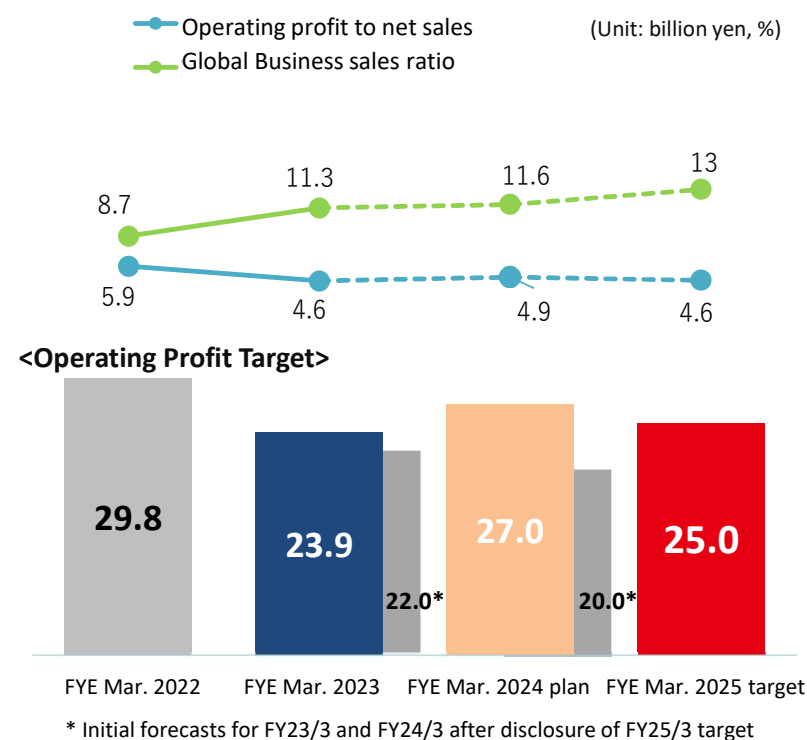
Interconnected

## 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 Plan	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	27.0	25.0	-4.8
Profit attributable to owners of parent	33.8	16.9	61.7	16.0	-17.8
Operating profit to net sales	5.9%	4.6%	4.9%	4.6%	
ROE	16.7%	7.9%	24.5%	6%	
Global Business sales ratio	8.7%	11.3%	11.6%	13%	

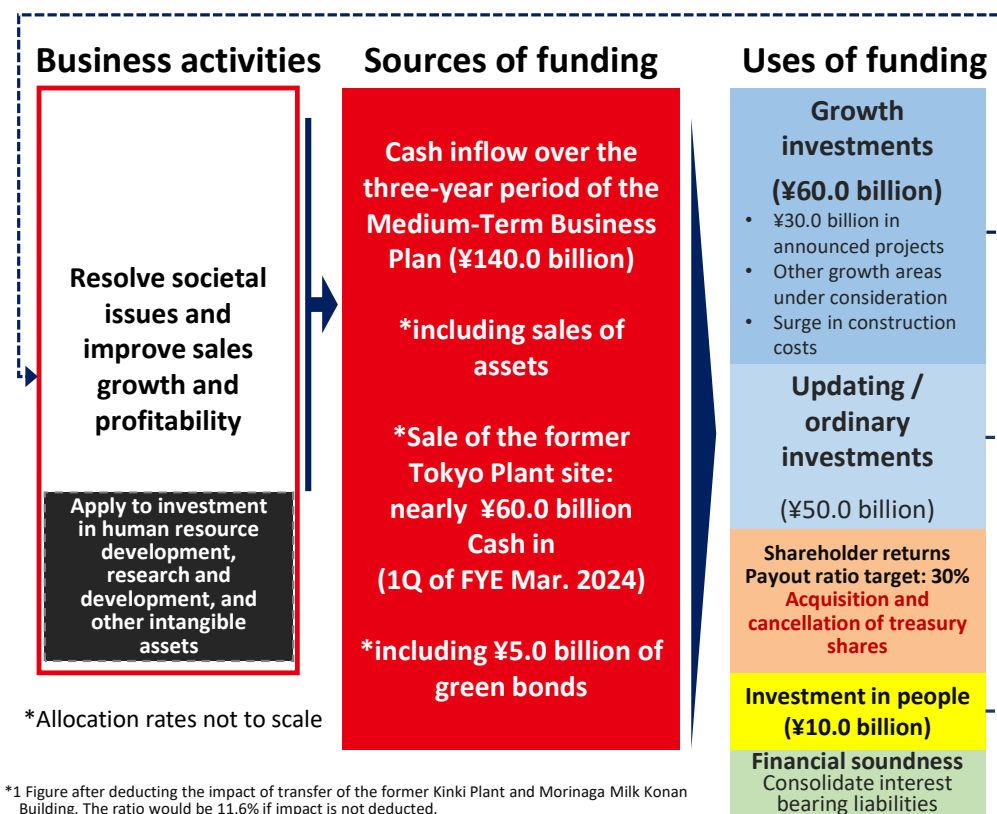




## 2 - 4 . Financial Strategies of the Medium-Term Business Plan 2022–2024 (FYE Mar. 2023 – FYE Mar. 2025)



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



\*Allocation rates not to scale

\*1 Figure after deducting the impact of transfer of the former Kinki Plant and Morinaga Milk Konan Building. The ratio would be 11.6% if impact is not deducted.

\*2 Figure after deducting the impact of transfer of the former Tokyo Plant site. The ratio would be 8.6% if impact is not deducted.

#### 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: **33.6%**\*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, 2023): approx. 1.86 million shares / approx. 10.0 billion yen**\*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

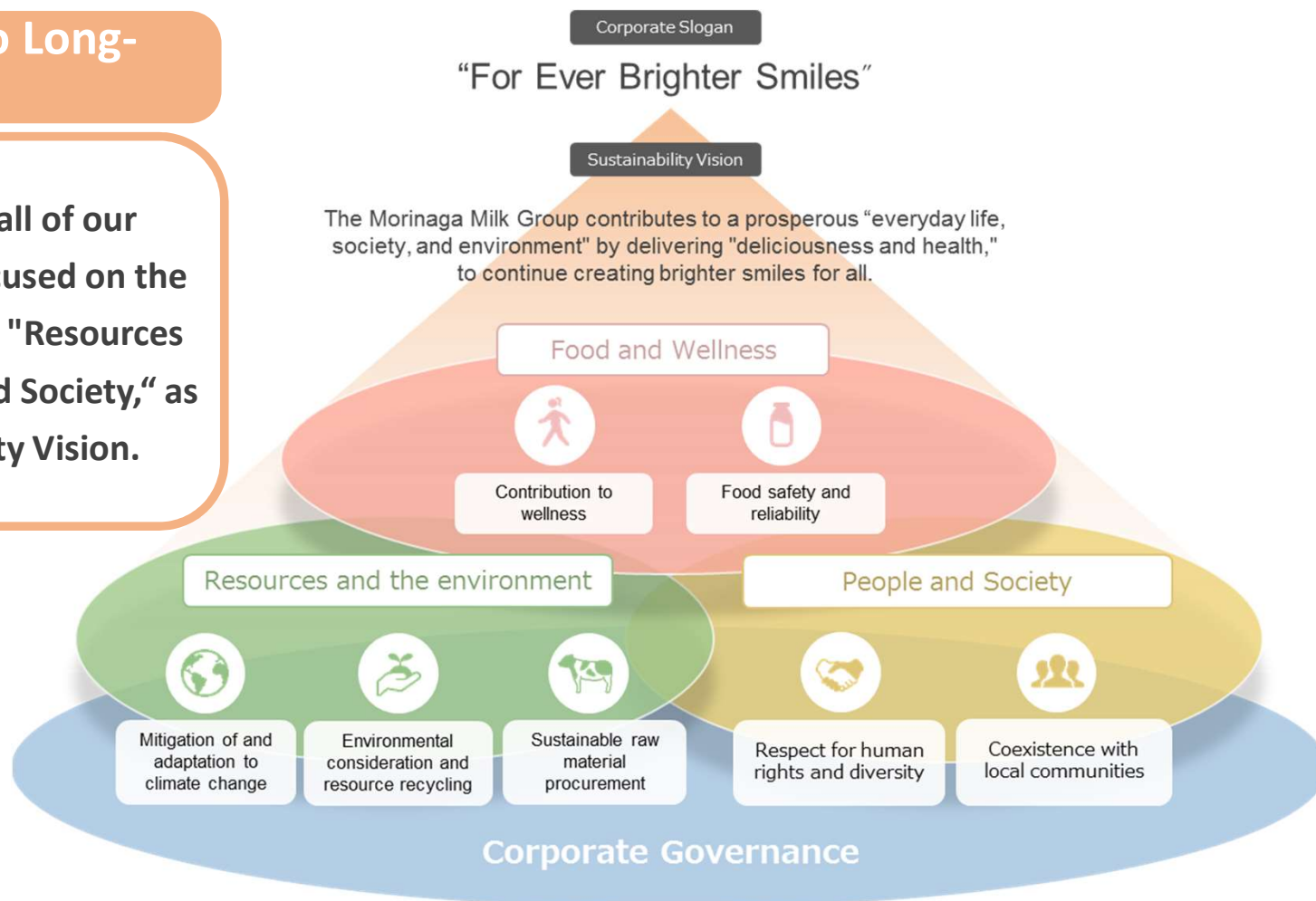
\* For more information, please visit our website  
<https://www.morinagamilk.co.jp/english/sustainability/>

### 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

### Food and Wellness

Contribution to wellness

Food safety and reliability

**By delivering high-quality value unique to Morinaga Milk Group, we contribute to the health of 300 million people.\***

※Calculated as planned number, which include total planned number of sales of products with consideration for health from FY 2021 to FY 2030, and expected number of participants in our health promotion and nutrition education activities as number reached (persons)

### Resources and the Environment

Mitigation of and adaptation to climate change

Environmental consideration and resource recycling

Sustainable raw material procurement

**We will contribute to a sustainable global environment in order to perpetually develop together with supply chain partners.**

### People and Society

Respect for human rights and diversity

Coexistence with local communities

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

### 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)

**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 CO<sub>2</sub> emissions  
reduction rate  
**38% or higher**  
(compared to FY 2013)

<Intermediate Target>  
23% or higher (by FY 2024)

Scope 3 GHG emissions  
reduction rate  
**10% or higher**  
(compared to FY 2020)

<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%**

<Intermediate Target>  
8 0 % or higher (by FY 2023)

Usage ratio of FSC-certified or  
other environmentally friendly  
paper

**1 0 0 %** (by FY 2024)

**Expansion of support for raw material suppliers**

#### Environmental consideration and resource recycling

ISO14001 certification  
maintenance rate at domestic  
manufacturing sites  
**1 0 0 %**

<Intermediate Target>(by FY 2024)  
Completion of certification  
acquisition at domestic  
manufacturing sites

Petroleum-derived virgin plastic  
usage reduction rate  
**25% or higher**  
(compared to FY 2013)

<Intermediate Target>(by FY 2024)  
10% or higher

Industrial waste recycling rate  
**Achievement of  
zero emissions**

<Intermediate Target>(by FY 2024)  
9 9 %

Water resource usage reduction  
rate  
**15% or higher**  
(compared to FY 2013)

<Intermediate Target>(by FY 2024)  
11% or higher

Rate of accommodation of  
environmentally friendly  
design in major brands  
**1 0 0 %**

### 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

Continuous compliance with  
our Human Rights Policy  
throughout the supply chain

<Intermediate Target> (by FY 2024)  
Human rights due diligence  
execution and measures;  
construction of continuity system

Ratio of Female  
Managers  
**10% or higher**

<Intermediate Target> (by FY 2024)  
6% or higher

Childcare leave  
usage ratio (men)  
**1 0 0 %**

Turnover  
for elderly care  
**0**  
people (by FY 2024)

Amount of investment in  
human resource development  
**40,000**  
yen/person/year

Number of major work-  
related accidents  
**0**  
(continued enforcement)

#### Coexistence with local communities

Total number of participants in  
community activities at business  
sites

(From FY 2021 to FY 2030)

**Total 100,000**

<Intermediate Target> (by FY 2024)  
Total 37,000

Ratio of Group business sites  
carrying out  
community activities

**1 0 0 %**

<Intermediate Target> (by FY 2024)  
Domestic 100%

## Appendix



## Appendix (Overview of Morinaga Milk Group)

<b>Company name</b>	Morinaga Milk Industry Co., Ltd.
<b>Head office</b>	33-1, Shiba 5-chome, Minato-ku, Tokyo
<b>Founded</b>	September 1, 1917
<b>Established</b>	April 13, 1949
<b>Capital</b>	¥21,821 million
<b>Employees</b>	Consolidated 7,040 (M 5,286 F 1,754) Non-consolidated 3,325 (M 2,659 F 666)
<b>Representative</b>	Michio Miyahara (Chairman and Representative Director) Yohichi Ohnuki (President and Representative Director) Teiichro Okawa (Executive Vice President and Representative Director)
<b>Business year</b>	From April 1 to March 31 in the following year
<b>Date of record for shareholders eligible to receive dividends</b>	March31 (The company doesn't pay an interim dividend.)
<b>Group</b>	32 consolidated subsidiaries and two equity method companies

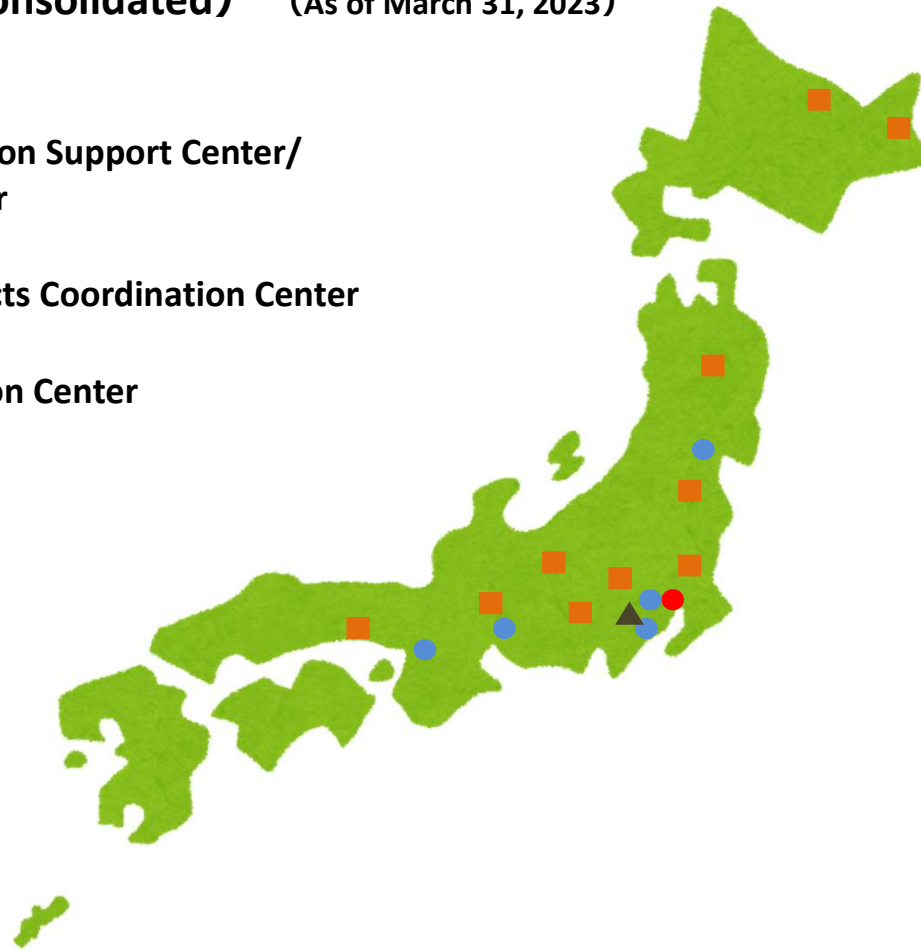


(As of March 31, 2023)

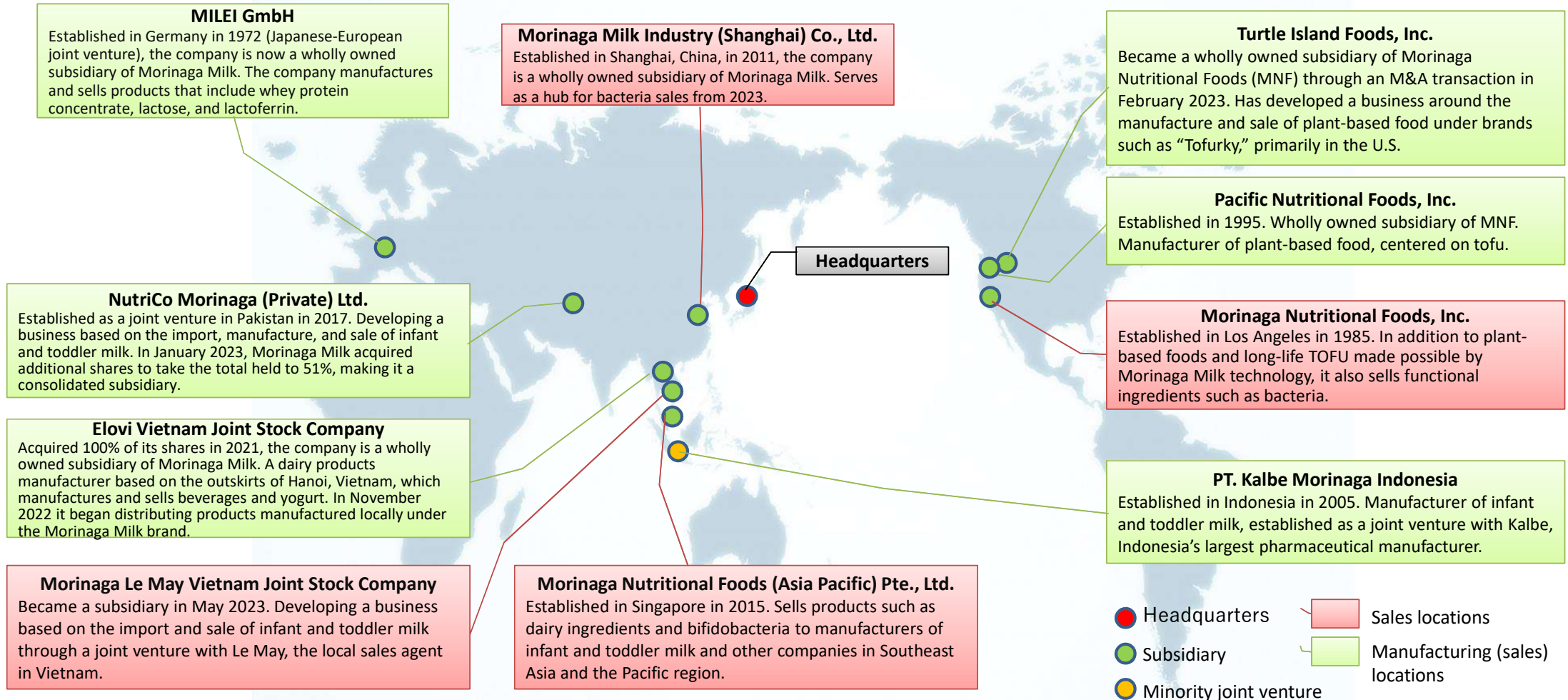
# Appendix (Overview of Morinaga Milk Group)

## 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, Main Overseas Business Locations)



## Appendix (Overview of Morinaga Milk Group)

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### 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)

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## Chronology of Morinaga Milk (1972-2017)

- 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 Ekaterina 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<sup>th</sup> anniversary of the founding of Morinaga Milk Industry, Co., Ltd.

# Appendix (Overview of Morinaga Milk Group)

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## Chronology of Morinaga Milk (2018-2023)

Apr. 2019	Launched Triple Yogurt
Feb. 2020	New building at Tone Plant begins operation
Jun. 2021	Elovi Vietnam Joint Stock Company becomes a wholly owned subsidiary
Jan. 2023	NutriCo Morinaga (Private) Limited becomes a subsidiary
Feb. 2023	Turtle Island Foods, Holdings, Inc. becomes a wholly owned subsidiary
May. 2023	Morinaga Le May Vietnam Joint Stock Company becomes a 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.