

Reporting Period

In principle, graphs and tables use figures aggregated by fiscal year (April1 – March 31).

Scope of Reporting

Please refer to the following pages for the scope of aggregation of each data.

Third Party Assurance

Results of the energy consumption and CO2 emission (Scope 1, Scope 2) for FY 2022 have received third-party assurance.

[▶Third party assurance](#)

Contents

- Environmental data (p2~)
- Social data (p13~)
- Governance data (p24~)
- KPIs and its progress of the Medium-term Business Plan (FY2019-FY2021) (p26~)

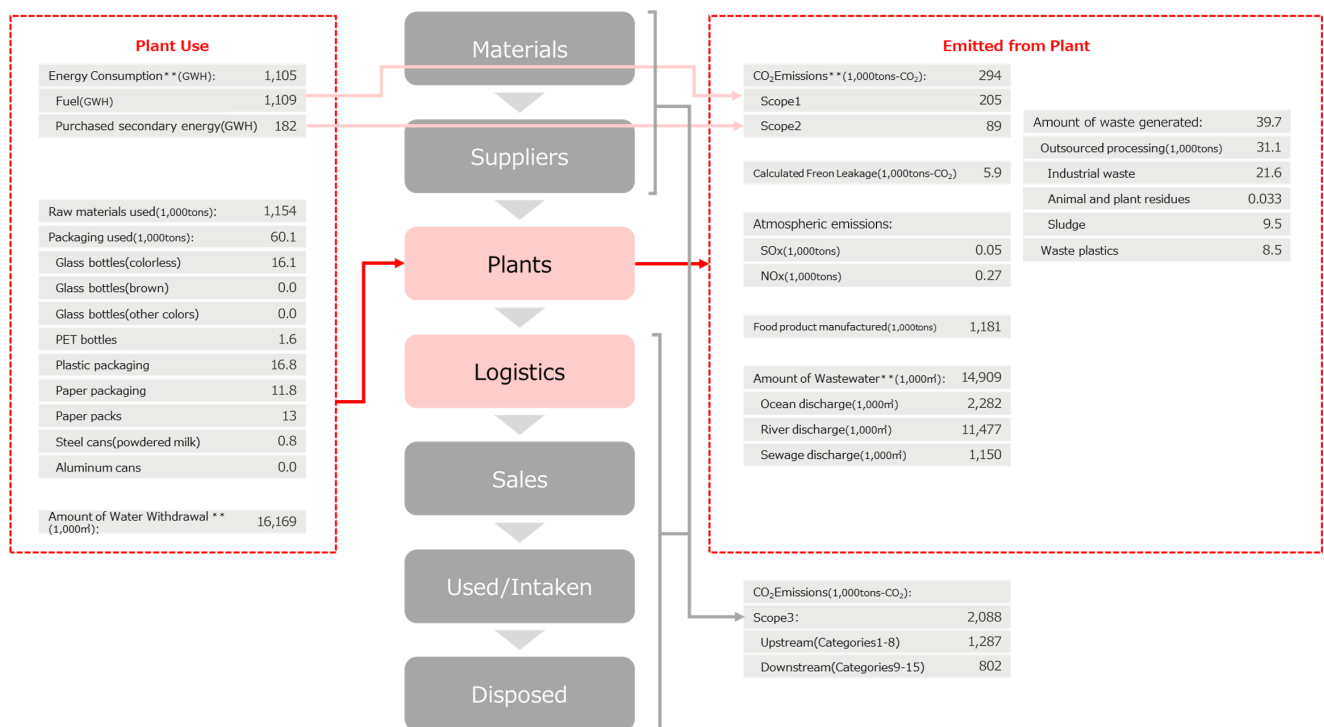
Third Party Assurance of Actual Data and Scope of Aggregation

Morinaga Milk Group has undergone third-party verification for its energy consumption and CO2 emissions.

[▶Third party assurance](#)

** : The scope of aggregation for data marked with 「**」 is as follows:
 Morinaga Milk Industry Co., Ltd. production sites (Since the Kinki Plant was closed in March 2020, it is not included in FY 2020 results or subsequent fiscal year results. Since the Tokyo Plant was closed in March 2021, it is not included in FY 2021 results or subsequent fiscal year results.), Hokkaido Hoshō Milk Plant Co., Ltd., Tokachi Urahoro Morinaga Milk Industry Co., Ltd., Nihon Seinyu Co., Ltd., Yokohama Morinaga Milk Industry Co., Ltd., Fuji Morinaga Milk Industry Co., Ltd., Morinaga-Hokuriku Milk Industry Co., Ltd. (Fukui Plant, Toyama Plant), Hiroshima Morinaga Milk Industry Co., Ltd., Kumamoto Morinaga Milk Industry Co., Ltd., Okinawa Morinaga Milk Industry Co., Ltd., MK Cheese Co., Ltd., Tohoku Morinaga Milk Industry Co., Ltd. (Sendai Plant, Akita Plant), Furijipōrt Co., Ltd. (Kumamoto Plant, Okinawa Uruma Plant (Okinawa Uruma Plant is included in the aggregation from FY2020), Chiba Plant (former Chez Forêt Co., Ltd.), Toyo Fermented Milk Co., Ltd. (dissolved May 2020, it is included until FY2020).

Environmental Load Overview (Material Flow)



Environmental Management Activities

ISO14001 certification acquisition and maintenance rate at domestic manufacturing sites*¹ (Morinaga Milk Industry Co.LTD and domestic consolidated subsidiaries)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 | 2024 | 2030 |
|--|------|--------|--------|--------|--------|-------------------|--------|--------|
| | | result | result | result | result | result | target | target |
| Acquisition and maintenance rate of Certifications Under ISO 14001 | % | 97% | 94% | 93% | 93% | 96%* ¹ | 100% | 100% |

*¹ Above figures are based on end of the fiscal year level.

*² Percentage of sites that have acquired and maintain ISO14001 certification out of 11 business sites that manufacture food products for Morinaga Milk and 17 business sites that manufacture food products for consolidated subsidiaries in JAPAN. (As of March 31, 2022)

Fines Related to Environmental Laws (Morinaga Milk Industry Co., Ltd. and consolidated subsidiaries in JAPAN)

| | unit | 2020 | 2021 | 2022 |
|-----------------|------|--------|--------|--------|
| | | result | result | result |
| Number of fines | No. | 0 | 0 | 0 |

Violations Involving Fines Related to Water Quality/Quantity (Morinaga Milk Industry Co., Ltd. and consolidated subsidiaries)

| | unit | 2020 | 2021 | 2022 |
|----------------------|------|--------|--------|--------|
| | | result | result | result |
| Number of violations | No. | 0 | 0 | 0 |

Climate Change (GHG emissions)

Scope 1 and 2 Emissions** *1

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------|--------------------------------|-------|-------|-------|-------|---------------------|
| Total | 1,000t-CO ₂ | 345 | 334 | 319 | 303 | 294 |
| Scope 1 ^{*2} | 1,000t-CO ₂ | 238 | 196 | 186 | 211 | 205 ^{*4} |
| Scope 2 ^{*3} | 1,000t-CO ₂ | 107 | 138 | 134 | 93 | 89 ^{*4} |
| Sales intensity | t-CO ₂ /million yen | 0.591 | 0.565 | 0.547 | 0.602 | 0.559 ^{*5} |

*1 Basis for calculation: The emission factor is based on Japan's Act on Rationalizing Energy Use and Act on Promotion of Global Warming Countermeasures.

*2 Emissions from fuel consumption

*3 Emissions from purchased electricity and heat

*4 The figures assured by a third party are 205,345 tons-CO₂ (Scope 1) and 88,622 tons-CO₂ (Scope 2).

*5 The sales intensities for FY2021 and FY2022 are the figures obtained by dividing the total of Scope 1 and 2 (ton-CO₂) emissions by sales after applying the "Accounting Standards for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020)"

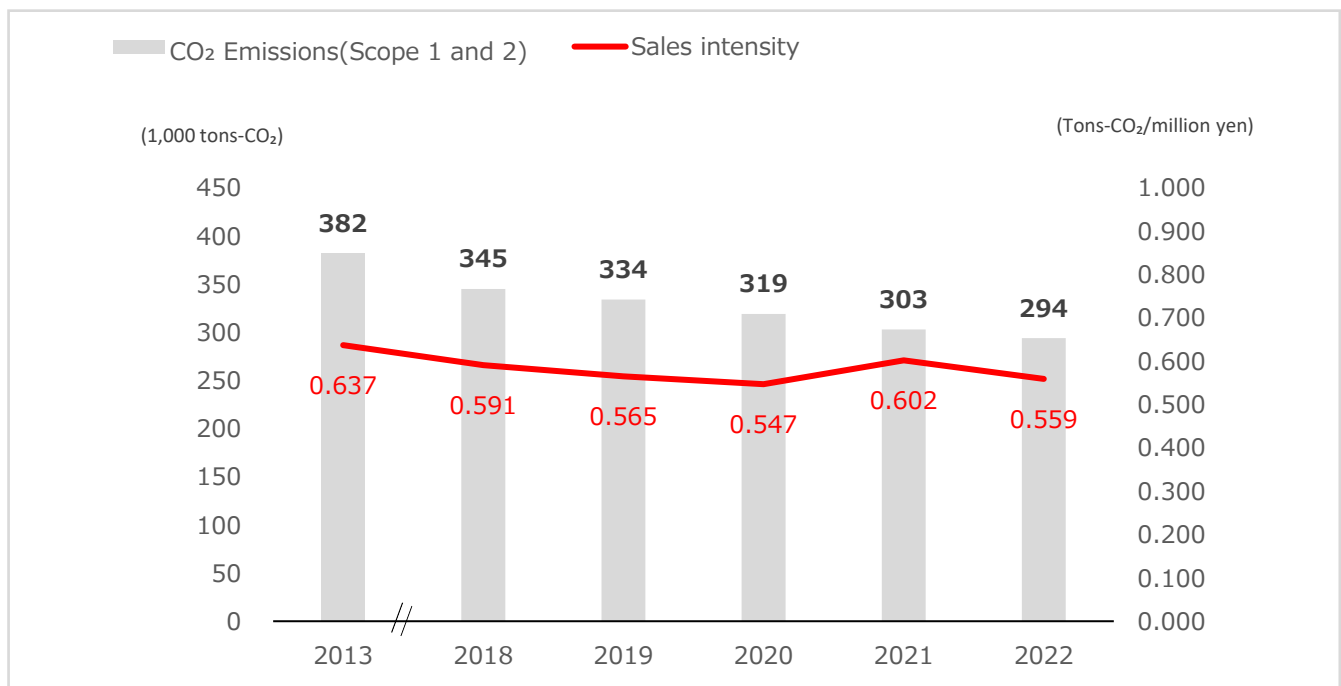
Reduction rate of Scope 1 and 2 Emissions

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 | 2024 | 2030 |
|---|------|--------|--------|--------|--------|--------|--------|--------|
| | | result | result | result | result | result | target | target |
| Reduction rate of Scope 1 and 2 Emissions (on FY2013 basis) | % | 9.7% | 12.6% | 16.3% | 20.5% | 23.0% | 23% | 38% |

CO₂ Reduction Initiatives** (Accumulated value of CO₂ reduction effects achieved with capital investments and manufacturing efficiency improvements)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------------------|------------------------|------|------|------|------|------|
| CO ₂ Reduction Initiatives | 1,000t-CO ₂ | 8.1 | 14.6 | 5.3 | 8.1 | 22.8 |

Scope 1+2 CO₂ Emissions and Intensity**



* Sales for FY2021 and FY2022 are sales after applying the "Accounting Standards for revenue Recognition(ASBJ Statement No.29, March 31, 2020)"

Climate Change (GHG emissions)

Scope 3 Emissions (domestic)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------------------------|--|---------|---------|---------|---------|
| Total | 1,000t-CO ₂ e | 2,415.5 | 2,357.0 | 2,319.3 | 2,153.1 | 2,088.1 |
| 1.Purchased goods and services | 1,000t-CO ₂ e | 1,222.9 | 1,176.0 | 1,193.0 | 1,183.2 | 1,132.5 |
| 2.Capital Goods | 1,000t-CO ₂ e | 123.6 | 105.9 | 74.1 | 56.5 | 57.5 |
| 3.Fuel and energy-related activities not included in Scope 1 or 2 | 1,000t-CO ₂ e | 60.5 | 63.1 | 58.5 | 55.2 | 53.3 |
| 4.Upstream transportation and delivery | 1,000t-CO ₂ e | 45.6 | 40.4 | 41.1 | 41.1 | 39.2 |
| 5.Waste generated in operations | 1,000t-CO ₂ e | 1.5 | 1.3 | 1.3 | 1.2 | 1.2 |
| 6.Business travel | 1,000t-CO ₂ e | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 |
| 7.Employee commuting | 1,000t-CO ₂ e | 1.8 | 1.9 | 2.1 | 2.0 | 2.0 |
| 8.Upstream leased assets | 1,000t-CO ₂ e | Calculated within scope 1 and 2 | | | | |
| 9.Downstream transportation and delivery | 1,000t-CO ₂ e | 940.5 | 949.6 | 929.4 | 794.1 | 784.1 |
| 10.Processing of sold products | 1,000t-CO ₂ e | Excluded from the calculation due to little relevance to business activities | | | | |
| 11.Use of sold products | 1,000t-CO ₂ e | 1.4 | 1.3 | 1.3 | 1.1 | 1.2 |
| 12.End-of-life treatment of sold products | 1,000t-CO ₂ e | 16.9 | 16.7 | 17.6 | 17.8 | 16.4 |
| 13.Downstream leased assets | 1,000t-CO ₂ e | Excluded from the calculation due to little relevance to business activities | | | | |
| 14.Franchises | 1,000t-CO ₂ e | | | | | |
| 15.Investments | 1,000t-CO ₂ e | | | | | |

Scope3 GHG emissions reduction rate

| | unit | 2021 | 2022 | 2024 | 2030 |
|--|------|--------|--------|--------|--------|
| | | result | result | target | target |
| Scope3 GHG emissions reduction rate(on FY2020 basis) | % | 7.2% | 10.0% | 3% | 10% |

Fluorocarbon Leakage (CO₂ Equivalent)** *1

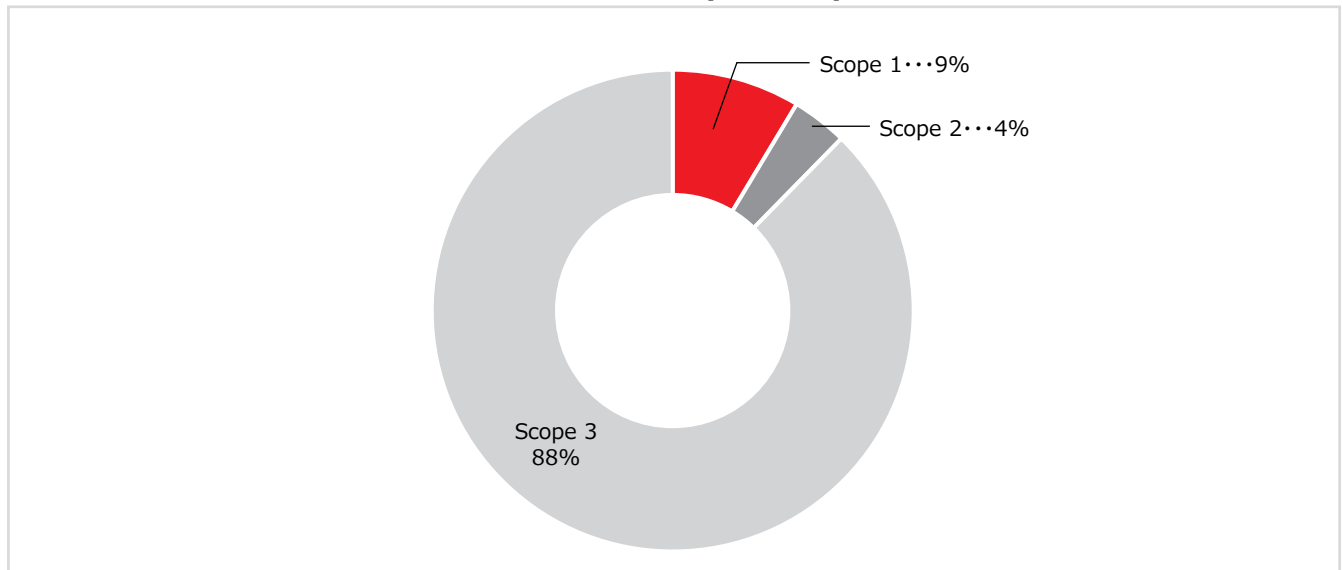
| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------|------------------------|------|------|------|------|------|
| Leaked amount | 1,000t-CO ₂ | 12.0 | 11.0 | 7.6 | 5.8 | 5.9 |

*1 Calculated based on the Fluorocarbons Emission Control Law.

For GWP (Global Warming Potential), the values designated in the Fluorocarbons Emission Control Law are used.

Climate Change (GHG emissions)

Ratio of CO₂ Emissions in the Value Chain (FY 2022)



Climate Change (Energy Consumption)

Energy Consumption** *1

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------|-----------------|-----------|-----------|-----------|-----------|-------------|
| Total | MWh | 1,414,115 | 1,343,231 | 1,291,134 | 1,332,157 | 1,291,109*4 |
| Fuel*2 | MWh | 1,215,452 | 1,031,964 | 994,813 | 1,141,372 | 1,109,153 |
| Purchased energy*3 | MWh | 198,663 | 311,267 | 296,321 | 190,785 | 181,956 |
| Sales intensity | MWh/million yen | 2.423 | 2.273 | 2.213 | 2.647 | 2.456 |
| Sales | million yen | 583,582 | 590,892 | 583,550 | 503,354*5 | 525,603*5 |

*1 Basis for calculation: The fuel conversion factor of fuel and purchased secondary energy (electricity, steam, hot water) is based on Japan's Act on Rationalizing Energy Use Boundary is based on Act on Rationalizing Energy Use up to FY 2018 and ISO14064-1 from FY 2019 onwards.

*2 Fuel refers to calorific value from fossil fuel and converted as 1,000 kWh = 3.6 GJ. Figures do not include renewable energy such as biomass.

*3 The total of electricity, steam, and hot water.

*4 Renewable energy consumption in FY 2022 was 5,508 MWh. Third-party verification received for 1,296,617 MWh, including renewable energy.

*5 Sales for FY2021 and FY2022 are sales after applying the "Accounting Standards for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020)

Energy Consumption (Crude Oil Equivalent) **

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------|----------------|--------|--------|--------|---------|---------|
| Total | 1,000kL | 162.64 | 164.68 | 158.77 | 153.67 | 148.56 |
| Fuel*1 | 1,000kL | 112.89 | 112.49 | 108.65 | 105.95 | 103.02 |
| Electricity*1 | 1,000kL | 49.75 | 52.19 | 50.12 | 47.72 | 45.54 |
| Sales intensity | kL/million yen | 0.279 | 0.279 | 0.272 | 0.305*2 | 0.283*2 |

*1 Calculated based on Act on the Rational Use of Energy (Energy Efficiency Act)

*2 The sales intensities for FY2021 and FY2022 are the figures obtained by dividing the total energy consumption (1,000 kL) by sales after applying the "Accounting Standards for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020)

Climate Change (Other atmospheric emissions)

SOx, Nox *

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----|--------|------|------|------|------|------|
| SOx | 1,000t | 0.17 | 0.08 | 0.05 | 0.04 | 0.05 |
| NOx | 1,000t | 0.31 | 0.31 | 0.26 | 0.23 | 0.27 |

* SOx and NOx are not included in the scope of the Okinawa Uruma Plant of Furijipport Co., Ltd.

Raw Materials

Raw Materials Used (Morinaga Milk Industry Co., Ltd. and domestic consolidated subsidiaries (excludes Furijipport Co., Ltd. (also includes former Chez Forêt Co., Ltd.))

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------|--------|-------|-------|-------|-------|-------|
| Raw Materials Used | 1,000t | 1,118 | 1,157 | 1,142 | 1,154 | 1,105 |

Packaging Materials Used*1

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------------|--------|------|------|------|------|------|
| Total | 1,000t | 71.9 | 69.8 | 66.3 | 64.9 | 60.1 |
| Glass bottles (colorless) | 1,000t | 22.0 | 20.2 | 17.7 | 17.1 | 16.1 |
| Glass bottles (brown) | 1,000t | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Glass bottles (other colors) | 1,000t | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| PET bottles | 1,000t | 0.2 | 0.7 | 1.4 | 1.6 | 1.6 |
| Plastic packaging*2 | 1,000t | 18.8 | 18.2 | 18.4 | 18.5 | 16.8 |
| Paper packaging | 1,000t | 11.8 | 11.5 | 11.6 | 12.0 | 11.8 |
| Paper packs | 1,000t | 18.1 | 18.1 | 16.1 | 14.9 | 13.0 |
| Steel cans (powdered milk) | 1,000t | 0.9 | 1.1 | 1.0 | 0.9 | 0.8 |
| Aluminum cans | 1,000t | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

*1 Scope of data: Products subject to the Containers and Packaging Recycling Law

*2 Plastic packaging : Amount commissioned to The Japan Containers And Packaging Recycling Association for recycling + Amount voluntarily collected

Petroleum-derived virgin plastic usage reduction rate

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 | 2024 | 2030 |
|--|------|--------|--------|--------|--------|--------|--------|--------|
| | | result | result | result | result | result | target | target |
| Petroleum-derived virgin plastic usage reduction rate(on FY2013 basis) | % | 13.7% | 16.5% | 15.4% | 15.2% | 22.9% | 10% | 25% |

* Scope of data: Products subject to the Containers and Packaging Recycling Law

* Amount commissioned to The Japan Containers And Packaging Recycling Association for recycling. Excludes voluntarily collected amount.

Food Product Manufactured

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------|--------|---------|---------|---------|---------|---------|
| Food Product Manufactured | 1,000t | 1,360*1 | 1,349*1 | 1,276*1 | 1,268*1 | 1,181*2 |

*1 Aggregation target to FY2021: The production volume is the scope of aggregation of ** excluding the scope of Furijipport Co., Ltd.'s Okinawa Uruma Plant.

*2 Aggregation target for FY2022: Scope of aggregation of **

Waste Materials

Waste Materials Generated **

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 | |
|---------------------------------|---------------------------------------|--------|-------|-------|-------|-------|-------|
| Total amount of waste generated | 1,000t | 49.6 | 46.1 | 41.4 | 41.6 | 39.7 | |
| Outsourced processing | Industrial waste* ¹ | 1,000t | 25.9 | 24.3 | 23.2 | 22.6 | 21.6 |
| | Specially controlled industrial waste | 1,000t | 0.027 | 0.039 | 0.028 | 0.030 | 0.033 |
| | Valuables and recyclables | 1,000t | 11.6 | 10.5 | 8.9 | 9.7 | 9.5 |
| Internally processed (onsite) | 1,000t | 12.1 | 11.3 | 9.3 | 9.3 | 8.5 | |

| | | | | | | |
|--------------------------------|--------|-------|-------|-------|-------|-------|
| Food waste* ² | 1,000t | 19.2 | 18.6 | 16.3 | 16.1 | 16.5 |
| Landfilled waste* ³ | 1,000t | 1.296 | 0.276 | 0.353 | 0.273 | 0.234 |

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|---------------|-------|-------|-------|---------------------|---------------------|
| Waste generation intensity | t/million yen | 0.085 | 0.078 | 0.071 | 0.083* ⁶ | 0.075* ⁶ |
| Industrial waste emissions intensity* ⁴ | t/million yen | 0.044 | 0.041 | 0.040 | 0.045* ⁶ | 0.041* ⁶ |
| Food waste generation intensity* ⁵ | t/million yen | 0.033 | 0.031 | 0.028 | 0.032* ⁶ | 0.031* ⁶ |

Industrial waste recycling rate

| | unit | 2021 | 2022 | 2024 | 2030 |
|---|------|--------|--------|--------|------------------------|
| | | result | result | target | target |
| Industrial waste recycling rate* ⁷ | % | 99.2% | 99.3% | 99% | zero emissions (99.5%) |

* The scope of aggregate waste total before FY2021 is the scope of aggregation of ** excluding Furijiport Co., Ltd.'s Okinawa Uruma Plant.

*¹ Industrial waste emissions: The amount of waste generated from business activities that has been processed by an outside contractor.
Does not include valuables collection.

*² Food Waste Generated: The amount of industrial waste, general waste, valuable resources, and animal and vegetable residues processed onsite

*³ Landfilled waste: Of waste generated (industrial waste, general waste, valuable resources, and animal and vegetable residues processed onsite), the amount that was processed by landfilling.

*⁴ Industrial waste emissions intensity: The weight of industrial waste -discharged annually (tons) divided by annual sales (million yen).

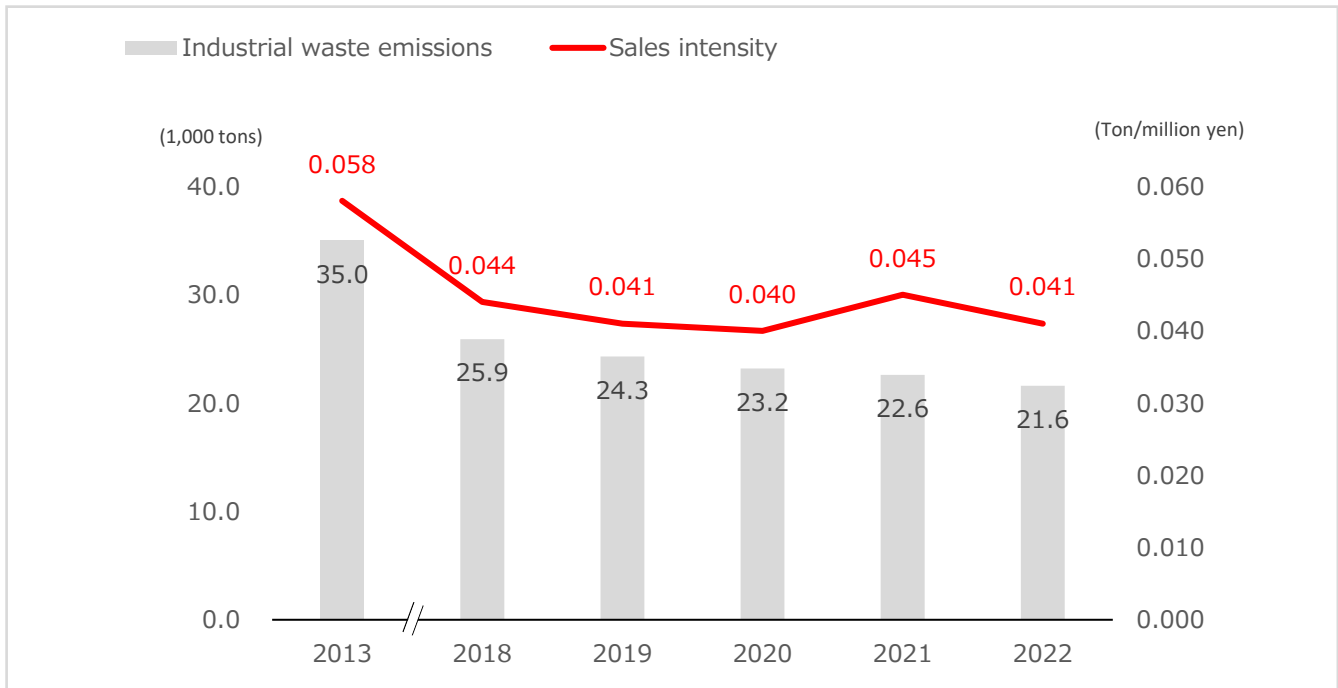
*⁵ Food waste generation intensity: The weight of food waste annually (tons) divided by annual sales (million yen).

*⁶ Sales for FY2021 and FY2022 are sales after applying the "Accounting Standards for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020)

*⁷ Industrial waste recycling rate: The amount of industrial waste and specially controlled industrial waste that has been recycled (22.4 thousand tons in FY 2021) divided by the amount of industrial waste discharged.

Waste Materials

Industrial Waste Emissions and Intensity

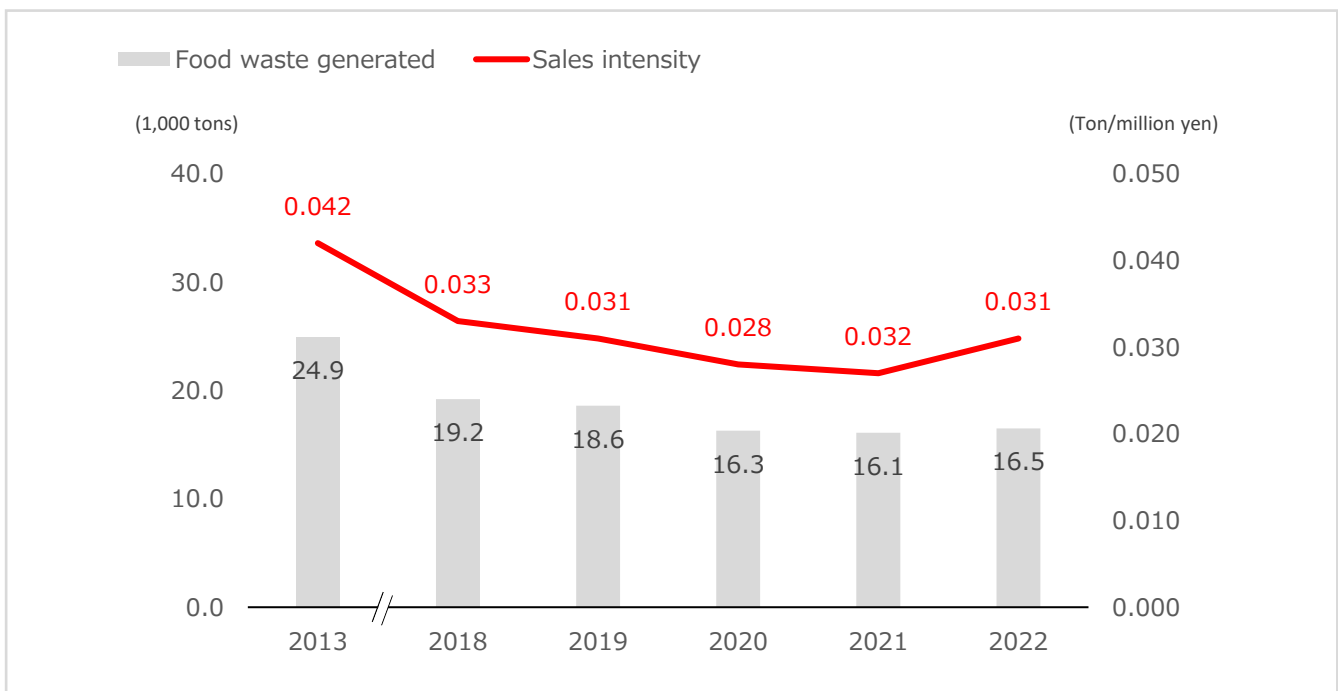


*Figures are for directly managed/Group company plants with ISO 14001 certification.

*Industrial waste emissions: The amount of waste generated from business activities that has been processed by an outside contractor. Does not include valuables collection.

*Industrial waste emissions intensity: The weight of industrial waste generated annually (tons) divided by annual sales (million yen).

Food Waste Generated and Intensity



*Figures are for directly managed/Group company plants with ISO 14001 certification.

*Food Waste Generated : The amount of industrial waste, valuable resources, and animal and vegetable residues processed onsite

*Food waste generation intensity: The weight of food waste (tons) discharged over 1 year divided by annual sales (million yen).

Water Resources

Water Withdrawal **

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|----------------------------------|-----------------------------|--------|--------|----------------------|----------------------|----------------------|
| Total amount of Water withdrawal | 1,000m ³ | 17,231 | 17,399 | 17,668 ^{*1} | 17,179 ^{*2} | 16,169 ^{*3} |
| Sales intensity | m ³ /million yen | 29.7 | 29.4 | 30.3 | 34.1 ^{*4} | 30.8 ^{*4} |

^{*1} For FY 2020 water use, the breakdown was surface water (river water), 476 thousand m³; groundwater (well water, spring water), 11,631 thousand m³; purchases from local governments (city water, tap water, industrial water, public raw water), 5,561 thousand m³

^{*2} For FY 2021 water use, the breakdown was surface water (river water), 484 thousand m³; groundwater (well water, spring water), 11,916 thousand m³; purchases from local governments (city water, tap water, industrial water, public raw water), 4,779 thousand m³

^{*3} For FY 2022 water use, the breakdown was surface water (river water), 482 thousand m³; groundwater (well water, spring water), 11,356 thousand m³; purchases from local governments (city water, tap water, industrial water, public raw water), 4,331 thousand m³

^{*4} The sales intensities for FY2021 and on are the figures obtained by dividing the total amount of water resources consumption (1,000 m³) by sales (million yen) after applying the "Accounting Standards for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020)

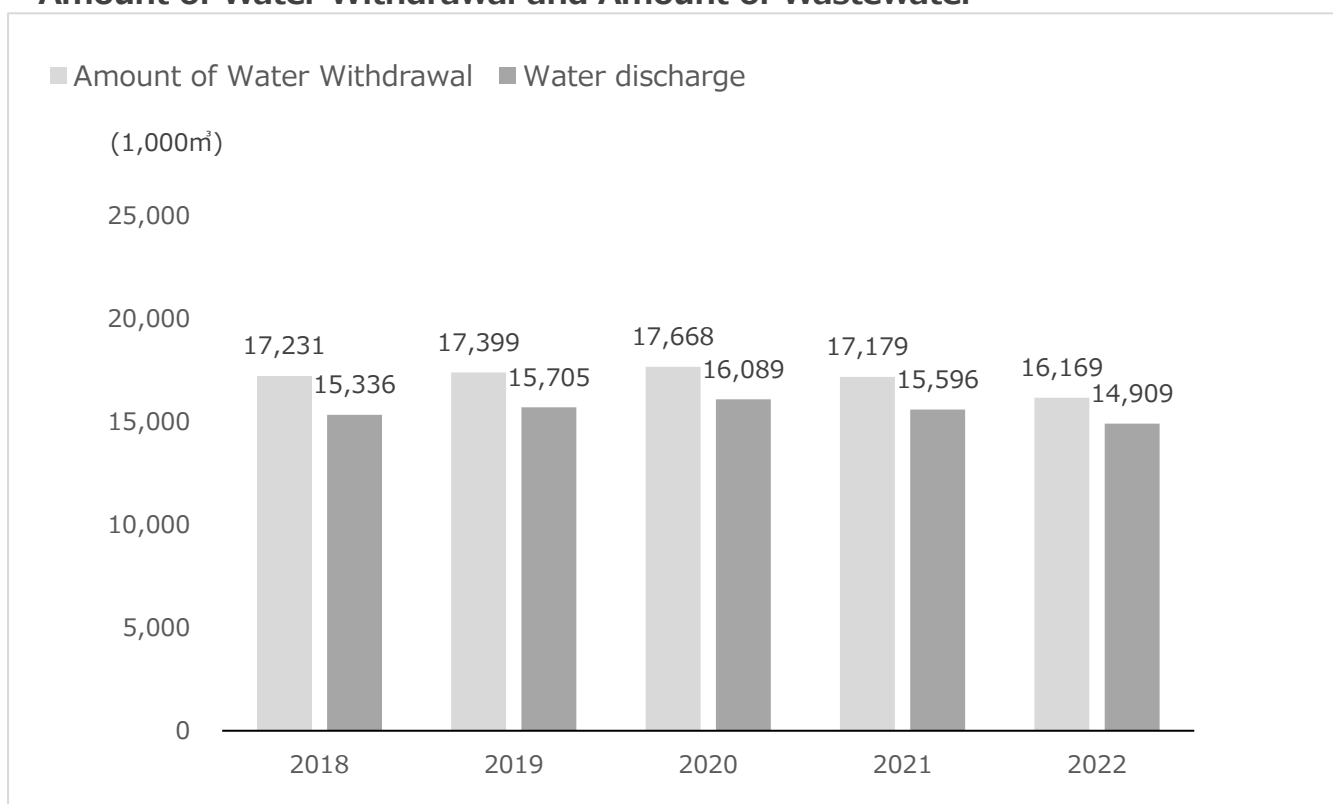
Reduction rate of Amount of Water Used (on FY2013 basis)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 | 2024 | 2030 |
|--|------|--------|--------|--------|--------|--------|--------|--------|
| | | result | result | result | result | result | target | target |
| Reduction rate of Amount of Water Used (on FY2013 basis) | % | 8.5% | 7.6% | 6.1% | 8.7% | 14.1% | 11% | 15% |

Amount of Wastewater **

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------|---------------------|--------|--------|--------|--------|--------|
| Total Amount of Waste water | 1,000m ³ | 15,336 | 15,705 | 16,089 | 15,596 | 14,909 |
| Ocean discharge | 1,000m ³ | 1,681 | 2,096 | 2,566 | 2,360 | 2,282 |
| River discharge | 1,000m ³ | 12,449 | 12,351 | 12,391 | 12,046 | 11,477 |
| Sewage discharge | 1,000m ³ | 1,206 | 1,258 | 1,132 | 1,190 | 1,150 |

Amount of Water Withdrawal and Amount of Wastewater **



Diversity & Inclusion

Employment Situation (As of the end of each fiscal year)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|---------|-------|-------|-------|-------|-------|
| Employees – consolidated* | Persons | 6,157 | 6,303 | 6,871 | 6,839 | 7,040 |
| Men | Persons | 4,743 | 4,834 | 5,152 | 5,091 | 5,286 |
| Women | Persons | 1,414 | 1,469 | 1,719 | 1,748 | 1,754 |
| Number of regular employees (Morinaga Milk Industry Co.) | Persons | 3,247 | 3,340 | 3,377 | 3,349 | 3,325 |
| Men | Persons | 2,629 | 2,697 | 2,711 | 2,681 | 2,659 |
| Women | Persons | 618 | 643 | 666 | 668 | 666 |
| Number of new graduates hired as regular employees, by gender (Morinaga Milk Industry Co.) | Persons | 145 | 127 | 83 | 73 | 101 |
| Men | Persons | 103 | 85 | 55 | 48 | 66 |
| Women | Persons | 42 | 42 | 28 | 25 | 35 |

* Morinaga Milk Industry Co., Ltd., Morinaga Milk Industry Sales Co., Ltd., Tohoku Morinaga Milk Industry Co., Ltd., Furiijiport Co., Ltd., Hiroshima Morinaga Milk Industry Co., Ltd., MK Cheese Co., Ltd., Clinico Co.,Ltd., Morinaga Milk Business Service Co., Ltd., Morinaga-Hokuriku Milk Industry Co.,Ltd., Towa Techno Co., Ltd., Morinyu Sunworld Co., Ltd., Morinaga Dairy Service Co.,Ltd., Morinaga Milk Industry Hokkaido Co., Ltd., Morinaga Milk Industry Kyushu Co., Ltd., Napoli Ice Cream Co., Ltd., Tokachi Urahoro Morinaga Milk Industry Co., Ltd., ,Hokkaido Hosho Milk Plant Co., Ltd., Sunfco Ltd., MM Property Funding Corp,Nihon Seinyu, Fuji Morinaga Milk Industry Co., Ltd., Okinawa Morinaga Milk Industry Co., Ltd., Kumamoto Morinaga Milk Industry Co., Ltd., Yokohama Morinaga Milk Industry Co., Ltd., Morinaga Engineering Co.,Ltd., Milei GmbH, Milei Plus GmbH, Milei Protein GmbH & Co. KG., Morinaga Nutritional Foods, Inc., Morinaga Nutritional Foods(Asia Pasific)Ptd Ltd., Elovi Vietnam Joint Stock Company, Nutrico Morinaga(Pvt.)LTD.

No. of female managers (Morinaga Milk Industry Co., Ltd.) *As of March 31 each year, excludes seconded staff

| | unit | 2020 | 2021 | 2022 |
|------------------------|---------|------|------|------|
| No. of female managers | Persons | 40 | 43 | 46 |

Ratio of female managers (Morinaga Milk Industry Co., Ltd.) *As of March 31 each year, excludes seconded staff

| | unit | 2020 | 2021 | 2022 | 2024 | 2030 |
|--------------------------|------|--------|--------|--------|--------|--------|
| | | result | result | result | target | target |
| Ratio of female managers | % | 5.2% | 5.5% | 5.8% | 6.0% | 10.0% |

Number of Employees Taking Childcare Leave by Gender (Morinaga Milk Industry Co., Ltd.) *Excludes seconded staff

| | unit | 2020 | 2021 | 2022 |
|-------------------------------------|---------|------|------|------|
| Number of regular employees Total | Persons | 89 | 96 | 109 |
| Men | Persons | 52 | 58 | 86 |
| Women | Persons | 37 | 38 | 23 |
| Number of temporary employees Total | Persons | 4 | 4 | 2 |
| Men | Persons | 0 | 0 | 0 |
| Women | Persons | 4 | 4 | 2 |

Diversity & Inclusion

Rate of Returning to Work from Childcare Leave by Gender (Morinaga Milk Industry Co., Ltd.)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------|------|--------|--------|--------|--------|--------|
| Men | % | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Women | % | 100.0% | 98.2% | 100.0% | 95.1% | 95.0% |

Ratio of male employees taking childcare leave (Morinaga Milk Industry Co., Ltd.)

| | unit | 2020 | 2021 | 2022 | 2030 |
|---------------------------------|------|----------------------|--------|----------------------|--------|
| | | result | result | result | target |
| Regular employees Usage ratio | % | 47.3% | 58.6% | 90.5% | 100.0% |
| Temporary employees Usage ratio | % | No targets available | 0.0% | No targets available | 100.0% |

Ratio of Total Compensation Per Employee by Gender (Morinaga Milk Industry Co., Ltd.)

| | unit | 2021 | 2022 |
|--|------|-------------|-------------|
| | | Women : Men | Women : Men |
| Total compensation (managers) | : | 1:1.12 | 1:1.12 |
| Total compensation (general employees) | : | 1:1.20 | 1:1.19 |

- Men and women are treated the same in terms of compensation. Differences are due to differences in age and grade structure by gender.
- Total compensation includes basic salary, various allowances, bonuses, etc., and excludes retirement allowances.

Diversity & Inclusion

Employee Turnover Due to Nursing Care (Morinaga Milk Industry Co., Ltd.)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 | 2024 |
|-------------------|---------|--------|--------|--------|--------|--------|--------|
| | | result | result | result | result | result | target |
| Employee turnover | Persons | 0 | 2 | 1 | 1 | 1 | 0 |

Turnover rate (Morinaga Milk Industry Co., Ltd. and domestic consolidated subsidiaries.)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------|------|------|------|------|------|
| Turnover rate (voluntary employee turnover rate) | % | 1.5% | 1.7% | 1.4% | 2.0% | 2.2% |
| Turnover rate (university graduates within three years after entering the Company) | % | 4.7% | 4.8% | 7.8% | 6.2% | 5.8% |

Number of Employees with Disabilities and Employment Rate (Morinaga Milk Industry Co., Ltd. and domestic consolidated subsidiaries)

| | unit | 2020 | 2021 | 2022 |
|-----------------------------|---------|------|------|------|
| Employees with disabilities | Persons | 157 | 150 | 167 |

Number of re-hires and re-hire rate of persons aged 60 and older (Morinaga Milk Industry Co., Ltd.)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------|---------|-------|-------|-------|-------|-------|
| Number re-hired | Persons | 30 | 24 | 34 | 36 | 56 |
| Re-hire rate | % | 96.8% | 88.9% | 94.4% | 90.0% | 87.5% |

Work-Life Balance, Workstyle

Annual Number of Working Hours and Average Hours of Overtime (Morinaga Milk Industry Co., Ltd.)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------------------|------------------------|-------|-------|-------|-------|-------|
| Annual Number of Working Hours | Hours | 1,974 | 1,967 | 1,969 | 1,975 | 1,974 |
| Average Hours of Overtime | Hours/Person/ Month | 14.8 | 15.3 | 15.0 | 16.1 | 16.1 |

*All employees except managers are members of the union

Number of days of annual paid leave taken and annual paid leave usage ratio (Morinaga Milk Industry Co., Ltd.)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|------|-------|-------|-------|-------|-------|
| Number of days of annual paid leave taken | Days | 12.0 | 14.1 | 13.0 | 13.5 | 14.5 |
| Ratio of annual paid leave usage | % | 64.9% | 76.7% | 70.2% | 73.1% | 77.3% |

Number of employees using teleworking/satellite work system (Morinaga Milk Industry Co., Ltd.)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---------|------|------|-------|-------|-------|
| Number of employees using teleworking/satellite work system | Persons | 197 | 932 | 1,980 | 2,097 | 2,225 |

Number of Persons Hired under the Returnees Program (Morinaga Milk Industry Co., Ltd.)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------|---------|------|------|------|------|------|
| Number hired | Persons | 1 | 0 | 0 | 1 | 2 |

Ratio of Employees Who have Stress Checks Performed (Morinaga Milk Industry Co., Ltd.)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------|------|-------|-------|-------|-------|-------|
| Ratio of employees | % | 87.1% | 86.1% | 89.1% | 86.6% | 88.0% |

Human Resource Development

Participants in Global Human Resources Development Programs (Morinaga Milk Industry Co., Ltd.)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---------|------|------|------|------|------|
| Total | Persons | 24 | 20 | 51 | 113 | 69 |
| Global Business Skills Enhancement Program | Persons | 8 | 8 | 16 | 11 | 13 |
| Overseas Intercultural Learning Challenge Training* | Persons | 16 | 12 | – | – | – |
| e-learning for writing business e-mails in English | Persons | – | – | 18 | 61 | 24 |
| Beginner training | Persons | – | – | 17 | 31 | 23 |
| Intermediate training | Persons | – | – | – | 10 | 9 |

* In FY 2020,2021,the program contact was adjusted for an online format in order to prevent the spread of COVID-19.

Number of Participants in Female Leader Training (Morinaga Milk Industry Co., Ltd.)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------|---------|------|------|------|------|------|
| No. of participants | Persons | 24 | 23 | 17 | 21 | 15 |

Morinaga Milk College (Morinaga Milk Industry Co., Ltd. and domestic consolidated subsidiaries)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------------|---------|------|------|------|------|------|
| Number of Trainees Total | Persons | 449 | 445 | 540 | 498 | 401 |
| Follow-up course | Persons | 165 | 151 | 206 | 118 | 123 |
| Hop-up course | Persons | 103 | 155 | 166 | 196 | 94 |
| Level-up course | Persons | 93 | 96 | 159 | 153 | 156 |
| Step-up course | Persons | 56 | 27 | 9 | 15 | 14 |
| Jump-up course | Persons | 32 | 16 | – | 16 | 14 |

Human Resource Development

Investment in Employees (Morinaga Milk Industry Co., Ltd.)

| | unit | 2019 | 2020 | 2021 | 2022 | 2030 |
|--------------------------|--------------------------------------|--------|--------|--------|--------|--------|
| | | result | result | result | result | target |
| Amount spent on training | Person/Year (Unit: Ten thousand yen) | 3.9 | 2.6 | 2.6 | 3.1 | 4.0 |
| Hours of training | Hours/Person/Year | 6.5 | 3.8 | 5.0 | 4.8 | — |

*Only training programs led by the Human Resource Department. This excludes training at Morinaga Milk College.

Occupational Health and Safety

Industrial Accident Frequency Rate (Morinaga Milk Industry Co., Ltd.)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------------------|------|-------|-------|-------|-------|-------|
| Industrial Accident Frequency Rate | % | 0.00% | 0.00% | 0.48% | 0.25% | 0.16% |

*Excludes Group companies

Number of Major Work-related Accidents* (Morinaga Milk Industry Co., Ltd.)

| | unit | 2020 | 2021 | 2022 | 2030 |
|--|------|--------|--------|--------|---------------|
| | | result | result | result | target |
| Number of major work-related accidents | No. | 0 | 0 | 0 | 0 (continued) |

*Accidents in which three or more workers were killed, injured, or became ill in the course of work at one time, including non-holidays.

*Death and subsequent disability levels 1 to 7

Workplace Accidents (by Type, FY 2022) (Morinaga Milk Industry Co., Ltd.)

| Type | % |
|---|-----|
| Fall (tripping) | 18% |
| Cuts and abrasions | 18% |
| Pinching, entanglement | 9% |
| Burns from high/low temperatures | 18% |
| Contact injuries from hazardous materia | 9% |
| Collision (from self) | 0% |
| Recoil, forceful movement | 0% |
| Fall/tumble from heights | 18% |
| Falling/flying objects | 9% |

Support for the Growth of the Next Generation

Visiting Classes at Elementary Schools (Morinaga Milk Industry Co., Ltd.)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------|---------|------|------|------|------|-------|
| No. of times held | Times | 5 | 7 | 3 | 10 | 23 |
| No. of participants | Persons | 327 | 422 | 299 | 804 | 1,358 |

Business Interns (Morinaga Milk Industry Co., Ltd.)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------|---------|------|-------|------|------|-------|
| No. of schools | Schools | 19 | 23 | 25 | 27 | 38 |
| No. of participants | Persons | 774 | 1,142 | 980 | 983 | 1,407 |

* An increase in the number of participating companies and an increase in the number of available programs has resulted in a reduction in the number of participating students for each company.

Exploratory Career Study Visits (Morinaga Milk Industry Co., Ltd.)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------|---------|------|------|------|-------|-------|
| No. of schools | Schools | 33 | 53 | 1 | 26 | 18 |
| No. of participants | Persons | 282 | 588 | 270 | 2,129 | 1,098 |

* Suspended in FY 2020 to prevent the spread of COVID-19. Created an online-based Exploratory Career Study Visit program and held one online-based "visit."

Tour of Volleyball (Morinaga Milk Industry Co., Ltd.)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------|---------|-------|-------|-------|--------|-------|
| No. of times held | Times | 23 | 21 | – | – | 9 |
| No. of participants | Persons | 2,398 | 2,196 | 7,773 | 10,376 | 8,999 |

* 2020 figures are counted as the total number of recipients of virtual volleyball notebooks and persons who participated in online remote classes or roundtable discussions.

* 2021 figures are counted as the total number of recipients of virtual volleyball notebooks and persons who participated in manager seminars or parent-and-child seminars.

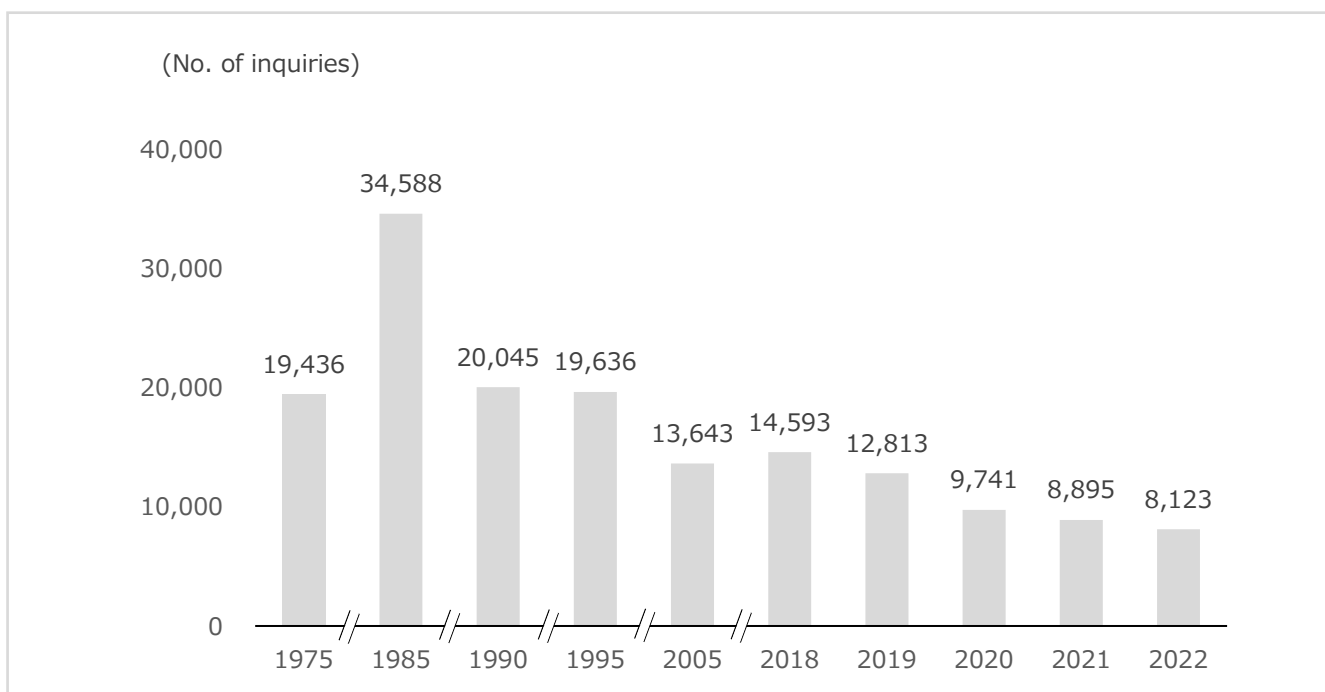
* 2022 figures are counted as the total number of participants in Tour of Volleyball and recipients of volleyball training notebooks

Support for the Growth of the Next Generation

Angel 110 Hotline Inquiries (Morinaga Milk Industry Co., Ltd.)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------|-----------|--------|--------|-------|-------|-------|
| No. of inquiries | Inquiries | 14,593 | 12,813 | 9,741 | 8,895 | 8,123 |

* The hotline system was partially reduced in FY 2020 to ensure the safety of the counselors in light of the COVID-19 pandemic.



Online-based Plant Tours

| | unit | 2021 | 2022 |
|---------------------|---------|------|-------|
| No. of times held | Times | 42 | 143 |
| No. of participants | Persons | 520 | 3,411 |

* The number of plant tours has decreased since we resumed the tour via online from February 2022.

Community initiatives

Investment in Communities

| | unit | 2020 | 2021 | 2022 |
|--------|-----------|---------|--------|--------|
| Amount | 1,000 yen | 105,000 | 70,000 | 89,000 |

Ratio of Group Business Sites Carrying Out Community Activities

| | unit | 2021 | 2022 | 2030 |
|------------------------------|------|--------|--------|--------|
| | | result | result | target |
| Percentage of business sites | % | 90% | 100% | 100% |

* Ratio of Group companies in Japan

Health promotion program

Health Seminar Program Conducted by Dietitians for Health and Well-Being

| | unit | 2021 | 2022 |
|---------------------|---------|-------|-------|
| No. of times held | Times | 80 | 100 |
| No. of participants | Persons | 8,600 | 7,000 |

Customer Satisfaction

Results of Customer Satisfaction Training (Morinaga Milk Industry Co., Ltd. and domestic consolidated subsidiaries and non-consolidated subsidiaries.)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------|---------|-------|-------|-------|-------|-------|
| No. of participants | Persons | 1,378 | 1,052 | 6,185 | 5,051 | 4,090 |

Customer Satisfaction Questionnaire Survey (FY 2022)

| | % |
|------------------------------------|-----|
| Extremely satisfied | 53% |
| Satisfied | 36% |
| Neither satisfied nor dissatisfied | 6% |
| Dissatisfied | 3% |
| Extremely dissatisfied | 2% |

Quality Control

GFSI Certification Standard (FSSC22000) Acquisition Rate (Morinaga Milk Industry Co., Ltd. and domestic and overseas consolidated subsidiaries)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 | 2030 |
|---|------|--------|--------|--------|--------|--------|--------|
| | | result | result | result | result | result | target |
| Acquisition and maintenance rate of Certifications Under GFSI | % | 25 | 32 | 85 | 100 | 93 | 100% |

* Figures for FY2022 have decreased compared to FY2021 due to the increase in the number of overseas business sites, but the certification ratio at domestic production sites is 100%

Quality Improvement Seminar (Morinaga Milk Industry Co., Ltd.)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------------------|-----------|------|------|------|------|------|
| No. of participating companies | companies | 20 | 24 | – | 90 | 89 |

* The FY 2020 seminar was postponed to prevent the spread of COVID-19. Conducted remotely in 2021 and 2022.

Corporate Governance

Number of board members (Morinaga Milk Industry Co., Ltd.)

| | unit | 2020 | 2021 | 2022 |
|--------------------|---------|------|------|------|
| Board Members | Persons | 9 | 9 | 11 |
| External Directors | Persons | 3 | 3 | 4 |
| Female Directors | Persons | 1 | 1 | 1 |

Ratio of women on the board of directors (Morinaga Milk Industry Co., Ltd.)

| | unit | 2020 | 2021 | 2022 |
|--|------|-------|-------|-------|
| Ratio of women on the board of directors | % | 15.4% | 15.4% | 13.3% |

FY 2022 Attendance at the Board of Directors Meetings, Auditor & Supervisory Board Meetings, and Other Committee Meetings (Morinaga Milk Industry Co., Ltd.)

| | | Board of Directors | Audit & Supervisory Board | Internal Control System Committee | Personnel Remuneration Committee |
|-------------------|--|----------------------------|---------------------------|-----------------------------------|----------------------------------|
| Michio Miyahara | Managing Director | 100% (13/13) | – | 100% (2/2) | – |
| Yohichi Ohnuki | Managing Director | 100% (13/13) | – | 100% (2/2) | 100% (8/8) |
| Teiichiro Okawa | Managing Director | 100% (13/13) | – | 100% (2/2) | 100% (8/8) |
| Tsuyoshi Minato | Managing Director | 100% (13/13) | – | – | – |
| Yasuhiko Yanagida | Managing Director | 100% (13/13) | – | 100% (2/2) | – |
| Hitoshi Hyodo | Managing Director | 100% (13/13) | – | 100% (2/2) | – |
| Akihiro Nozaki | Managing Director | 100% (10/10) ^{*1} | – | 100% (1/1) ^{*2} | – |
| Takatomo Yoneda | External Director | 100% (13/13) | – | – | 100% (8/8) |
| Yukari Tominaga | External Director | 100% (13/13) | – | – | 100% (8/8) |
| Hiroshi Nakamura | External Director | 100% (10/10) ^{*1} | – | – | 100% (7/7) ^{*2} |
| Takayuki Ikeda | External Director | 100% (10/10) ^{*1} | – | – | 100% (7/7) ^{*2} |
| Keiki Hirota | Full-time Audit & Supervisory Board Member | 100% (13/13) | 100% (14/14) | 100% (1/1) ^{*3} | – |
| Mitsumasa Saito | Full-time Audit & Supervisory Board Member | 100% (13/13) | 100% (14/14) | 100% (1/1) ^{*3} | – |
| Masahiko Ikaga | External Audit & Supervisory Board Member | 100% (13/13) | 100% (14/14) | – | – |
| Mayumi Yamamoto | External Audit & Supervisory Board Member | 100% (13/13) | 100% (14/14) | – | – |

^{*1} Attended since assuming the position of Director on June 29, 2022

^{*2} Attended since becoming a committee member on June 29, 2022

^{*3} The "Internal Control Committee must be attended by one full-time audit & supervisory board member" is stipulated in accordance with regulations, and two internal audit & supervisory board members (full-time) participate once each at the Internal Control Committee held twice a year.

Compliance/Anti-corruption

Status of Compliance Training (Morinaga Milk Industry Co., Ltd. and domestic consolidated subsidiaries)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------|---------|-------|-------|-------|-------|-------|
| Number of participants | Persons | 5,151 | 4,777 | 7,801 | 8,188 | 8,051 |

* Target: Employees working at our Group (workers in the same workplaces, including employees, temporary employees, part-time workers, and employees of partner companies), etc.

Implementation of e-Learning for All Group Employees (FY 2022) (Morinaga Milk Industry Co., Ltd. and domestic consolidated subsidiaries)

| | unit | May | August | November | February |
|------------------------|---------|-------|--------|----------|----------|
| Number of participants | Persons | 7,519 | 7,401 | 7,333 | 9,285 |
| Completion rate | % | 98.1% | 98.0% | 97.8% | 97.4% |

Consultations Received by the Morinaga Milk Helpline (Morinaga Milk Industry Co., Ltd. and domestic consolidated subsidiaries)

| | unit | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------------------|------|------|------|------|------|------|
| Total number of consultations | No. | 44 | 41 | 47 | 52 | 58 |

Health and Nutrition

We offer health and nutrition by developing and selling products that combine functionality and good taste to realize “Ever Brighter Smiles.”

| Direction of Activities | KPIs | Results of KPIs (FY 2021) |
|--|---|--|
| Contribute to the extension of healthy lifespans | Launch of products incorporating nutritious functional ingredients | <ul style="list-style-type: none"> Released Memory Bifidus Memory Protection Yogurt, inPROTEIN, Bifidus Yogurt KF, and other products that are Foods with Function Claims as well as products that contribute to health. |
| | Share information on nutritious and functional ingredients that help to maintain health | <ul style="list-style-type: none"> Shared information and raised awareness about large intestine and nutritious and functional ingredients that help to maintain health. Further promoted health seminar business with Dietitians for Health and Well-Being, “Kenko Support Eiyoushi.” (Expanded program to provide health seminar for seniors, females, etc.) Over FY 2020 and FY 2021, total of approximately 18,000 people participated in the health seminars provided by Dietitians for Health and Well-Being *Dietitians for Health and Well-Being Seminar: Health seminar by special Dietitians for Health and Well-Being who explains the finds in research on health in an easy-to-understand manner. |
| Contribute to the healthy growth of babies and infants | Provide Bifidobacterium breve M-16V; continue to provide to over 120 facilities in Japan and overseas | <ul style="list-style-type: none"> Continued to provide Bifidobacterium breve M-16V to over 150 facilities in Japan and overseas, including newborn intensive care units (NICUs). |

The Environment

We will manufacture safe and reliable products while striving to reduce energy use and cut waste and helping to create a sustainable society.

| Direction of Activities | KPIs | Results of KPIs (FY 2021) |
|---|--|--|
| Expand environmental activities, which had been centered on production divisions, to all consolidated companies and all divisions | Business sites with ISO 14001 certification: ensure that all consolidated company sites have earned this certification by FY 2030 | ● Number of certified sites: 34 (as of March 31, 2022) |
| | Understand Scope 1 and Scope 2 emissions for the entire Group by FY 2021 | ● For domestic production sites, obtained a third-party assurance for Scope 1 and 2 |
| Reduce environmental impacts from manufacturing processes | Reduction of CO2 emissions intensity: 8% reduction by FY 2021 compared with the level in FY 2013 20% reduction by FY 2030 compared with the level in FY 2013 80% reduction by FY 2050 compared with the level in FY 2013 | ● 20.0% reduction compared to FY 2013 |
| | Reduction of food waste generation intensity: 30% reduction by FY 2021 compared with the level in FY 2013 | ● 35.0% reduction compared to FY 2013 |
| | Reduction of industrial waste emissions intensity: 33% reduction by FY 2021 compared with the level in FY 2013 | ● 35.1% reduction compared to FY 2013 |
| | Reduction of landfill waste: Reduction of annual emissions to less than 300t by FY 2021 Complete elimination of landfill waste by FY 2030 | ● 273t reduction in annual emissions |
| | Reduction of amount of water used: 9% reduction by FY 2021 compared with the level in FY 2013 | ● 8.7% reduction compared to FY 2013 |
| Reduce environmental impacts in the overall supply chain | Calculate 6 of 15 categories of Scope 3 emissions by FY 2021 | <ul style="list-style-type: none"> ● Examined calculation method of all 15 categories and decided on the calculation rules for 10 categories. ● Evaluation was conducted for other five categories (one category under Scopes 1 and 2, and four categories that have low relevance to our main business activities). |
| Promote use of environment-friendly packaging | Weight of plastic packaging covered by the Containers and Packaging Recycling Law: 10% reduction compared to FY 2013 | ● 15.2% reduction compared to FY 2013 |

Human Rights

Our business activities will be guided by consideration for human rights and respect for diversity. We will create environments in which all people can realize their full potential.

| Direction of Activities | KPIs | Results of KPIs (FY 2021) |
|--|--|---|
| Identify human rights issues and devise countermeasures in dialogue with stakeholders | Hold dialogue with stakeholders | <ul style="list-style-type: none"> Three employees participated in the Stakeholder Engagement Program run by Caux Round Table (CRT) Japan in FY 2021 |
| Identify cases of human rights infringement at suppliers | Understand current situation through CSR procurement questionnaires | <ul style="list-style-type: none"> Prepared for conducting FY 2022 CSR Procurement Questionnaires. |
| Identify ingredients and suppliers that affect company management | Create a list of important suppliers | <ul style="list-style-type: none"> Completed summarizing as a list. Investigation and confirmation schemes are under discussion. |
| Respond to the Group's foreign employees (including those working for cooperating companies) | Set up working environments for the Group's foreign employees | <ul style="list-style-type: none"> Formulated guidelines for employing foreign nationals. Conducted survey on employment of foreign nationals in the Group. Began study in preparation for implementing human rights due diligence. |
| Promotion of Diversity and Inclusion | [Target for FY 2027] Number of persons teleworking/satellite work systems, rate of taking paid leave, rate of hiring female employees, number of female managers, rate of taking paternity leave, rate of male employees taking childcare leave, and number of employees quitting for family care | <ul style="list-style-type: none"> (1) Number of employees doing teleworking/satellite work (persons): 2,097 (2) Ratio of annual leave taken: 73.1% (3) Percentage of new graduate hires who are female (sales management, R&D total): 48.6% (4) No. of female managers: 52 persons (5) Ratio of paternity leave: 70.2% (6) Ratio of male employees taking childcare leave: 57.7% (7) Employee turnover: 1 person (As of March 31, 2022, excluding (3) and (4) that are as of April 1, 2022) |

Supply Chains

We procure raw materials and manufacture products with an emphasis on safety and reliability, and consistently provide high-quality products.

| Direction of Activities | KPIs | Results of KPIs (FY 2021) |
|---|--|--|
| Efficient supplier management corresponding to raw material risks | Strengthen mechanism for evaluating supplier management level depending on each raw material's risk | <ul style="list-style-type: none"> Conducted audit in 12 plants of raw material suppliers in and outside Japan. (On-site audit could not be held due to COVID-19 and not all are complete) Conducted overall supplier management review. |
| Creating a system for providing safe and high-quality products | Acquire FSSC 22000 certification at all of the Group's 29 plants* by FY 2020 * The number of factories certified changed from 29 to 23 in October 2020 due to production shutdowns and other factors. | <ul style="list-style-type: none"> Number of factories certified in Japan: 24 (*) (as of March 31, 2022) Target achieved in end of March 2021. (*) Final results were changed to include 24 plants due to a plant acquiring the FSSC after October 2020. |
| Respond to supply chain risks for main raw materials | Purchase main raw materials from multiple companies and geographically diverse purchasing | <ul style="list-style-type: none"> Promoted regional decentralized purchasing initiatives (in progress). |
| | Expand use of RSPO-certified palm oil | <ul style="list-style-type: none"> Completed a full switchover to Book and Claim (as of March 31, 2021). Currently working on a switchover to mass balance. |

Nurturing the Next Generation

We support the healthy growth of children as future contributors to the creation of a sustainable society.

| Direction of Activities | KPIs | Results of KPIs (FY 2021) |
|---|---|---|
| Provide a place to learn about food culture and nutrition to live healthy and enjoyable lifestyles (food education classes, KidZania) | Total participants over three-year period starting in 2019: 300,000 | <ul style="list-style-type: none"> ● 189,000 total participants by FY 2021. * Plant tours, Expedition Team Exploring Forest and Food, and other programs were not held in FY 2020 due to the COVID-19. ● Online program for plant tours and career education were developed and offered. |
| Provide a place to learn about the gifts of nature and the techniques and research that utilize them (plant tours, Forest and Food Expedition Team, career education) | | |
| Establish an environment in which the next generation can be raised | Provide ongoing consultation on infants through the Angel 110 hotline; handle calls from a total of 1 million people by FY 2020 | <ul style="list-style-type: none"> ● Advice provided to over 990,000 callers (as of March 31, 2022) |

Human Resource Development

We will focus on developing human resources who can realize the slogan "For Ever Brighter Smiles."

| Direction of Activities | KPIs | Results of KPIs (FY 2021) |
|--|--|--|
| Promote the Corporate Slogan | Hold annual forum open to all employees | <ul style="list-style-type: none"> ● Conducted Energy Survey (employee satisfaction survey) and shared its results to each department to raise awareness about the Corporate Slogan. |
| Encourage the independent growth of each individual employee by pursuing diversity and inclusion | Provide ongoing training for female leaders, training to encourage balance between work and childcare, and pre-management training; HR department will carry out interviews of young employees | <ul style="list-style-type: none"> ● Continued to implement training and interviews in an online environment |
| Develop employees who can perform in a global business environment | Implement programs for training global human resources | <ul style="list-style-type: none"> ● Global human resource program participants: 113 persons ● Overseas Trainee Program participants: 1 person |
| Develop human resources via health management | Improve uptake rate of follow-up exams and re-assessments for those who test results are of serious concern: 80% (2023) Rate of attending mental health education: 100% (2023) | <ul style="list-style-type: none"> ● Employees with health examination results showing serious concerns were fully tracked by the human resources department and necessary follow-ups were conducted to prevent employees from contracting a disease or their symptoms becoming severe. ● As target rate of attending mental health education is achieved, expanded offering for employee health education, which include mental healthcare and prevention of harassment, in light of the COVID-19 pandemic. |

Corporate Governance

We will continue to work on establishing and augmenting a highly effective governance system to sustainable growth and improve corporate value.

| Direction of Activities | KPIs | Results of KPIs (FY 2021) |
|--|---|---|
| Transparent, equitable, prompt, and bold decision-making based on diverse values in Board of Directors' Meetings | Evaluation scores and comments in evaluation of the Board of Directors (diversity of the Board of Directors and substance of discussions) | <ul style="list-style-type: none"> ● Proportion of independent external directors: 1/3 (six internal directors, three external, including one female external director) |
| Strengthen the management system | Augment regular committees (Personnel Remuneration Committee, Internal Control Committee, Sustainability Committee*) | <ul style="list-style-type: none"> ● Each regular committee meetings were held as schedule and constructive discussions were made. • Personnel Remuneration Committee: Selected external directors to represent majority of the committee (two internal directors, three external, including one female external director). • Sustainability Committee: Established Climate Change Subcommittee, Plastics Subcommittee, and Human Rights Subcommittee and prepared a place to conduct thorough discussion about individual issues. |