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Securities Code 2201

June 5, 2025

Commencement of Electronic Provision: May 29, 2025

To Shareholders with Voting Rights:

Shinya Mori
Representative Director,
President, COO
MORINAGA & CO., LTD
1-13-16 Shibaura, Minato-ku, Tokyo

**NOTICE OF CONVOCAION OF
THE 177TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We are pleased to inform you that the 177th Annual General Meeting of Shareholders (this “Meeting”) of MORINAGA & CO., LTD. (the “Company”) will be held for the purposes as described below.

In convening this Meeting, the Company has taken measures to provide information electronically. Matters for electronic provision are posted on the following website as “Notice of Convocation of the 177th Annual General Meeting of Shareholders.”

The Company’s website: <https://www.morinaga.co.jp/company/english/ir/stock/invite.html>

In addition to the above, matters for electronic provision are also posted on the website of the Tokyo Stock Exchange (TSE).

TSE website: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the TSE website above, search for the Company either by entering the company name (Morinaga & Co., Ltd.) or the securities code (2201), and then select “Basic information,” followed by “Documents for public inspection/PR information” in order to review the information.

If you are unable to attend the Meeting in person, you may exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders described hereinafter and exercise your voting rights by no later than 5:30 p.m. on Thursday, June 26, 2025.

1. Date and Time: Friday, June 27, 2025, at 10:00 a.m. Japan time (reception opens at 9:00 a.m.)

2. Place: “Prince Hall” 5th floor of Annex Tower, Shinagawa Prince Hotel
10-30, Takanawa 4-chome, Minato-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 177th Fiscal Year (April 1, 2024 - March 31, 2025) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Statutory Auditors
 2. Non-consolidated Financial Statements for the Company’s 177th Fiscal Year (April 1, 2024 - March 31, 2025)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of 10 Directors

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

As a result of careful consideration of factors such as business results for the fiscal year under review and future business expansion, the Company proposes year-end dividends for the fiscal year under review of ¥60 per share, an increase of ¥5 compared to the per share dividends for the previous fiscal year.

1. Type of dividend property
Cash
2. Matters concerning the allotment of dividend property to shareholders and the total amount thereof
¥60 per share of common stock of the Company
Total amount: ¥5,160,105,960
3. Effective date of distribution of surplus
June 30, 2025

Proposal 2: Election of 10 Directors

The terms of office of all 9 Directors will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, in order to strengthen our corporate governance, the election of 10 Directors is proposed, increasing the number of Outside Directors by 1. The candidates are as follows:

No.		Name	Current positions at the Company	Attendance at Board of Directors Meetings	Attendance at Officer Appointment and Remuneration Committee Meetings
1	Reappointment	Eijiro Ota	Representative Director, Chairman, CEO	100% (15/15)	100% (6/6)
2	Reappointment	Shinya Mori	Representative Director, President, COO	100% (15/15)	—
3	Reappointment	Daisuke Fujii	Director, Managing Executive Officer	100% (15/15)	—
4	Reappointment	Hideki Matsunaga	Director, Senior Executive Officer	100% (15/15)	—
5	Reappointment	Tetsuya Takagi	Director, Senior Executive Officer	93% (14/15)	—
6	Reappointment	Kenji Takanami	Director, Senior Executive Officer	100% (11/11)	—
7	Reappointment	Shinji Sakaki	Outside Director Independent Officer	100% (15/15)	100% (6/6)
8	Reappointment	Tamaki Sawamura	Outside Director Independent Officer	100% (11/11)	100% (4/4)
9	New appointment	Yoichiro Shimomura	Outside Director Independent Officer	—	—
10	New appointment	Hiromi Yamagishi	Outside Director Independent Officer	—	—

Reappointment: Candidate for Director who is reappointed

New appointment: Candidate for newly-appointed Director

Outside Director: Candidate for Outside Director

Independent Officer: Candidate for Independent Director as prescribed by the regulations of the Tokyo Stock Exchange

- (Notes) 1. The Company donates investment assets to, and has other transactions with the Morinaga Angel Foundation, where Mr. Eijiro Ota, the candidate for Director, concurrently serves as President. There are transactions related to food products between SAN-A CO., LTD., where Mr. Shinji Sakaki, the candidate for Director, concurrently serves as an Outside Director (Audit and Supervisory Committee Member), and the Company, but the amount of the transactions is very small (less than 2% of the net sales of each Group). Mr. Shinji Sakaki executed business of Tokyu Hands Inc. (currently Hands Inc.) from June 2007 to March 2016 as President, CEO or in other positions, but currently he has no relationships with Tokyu Hands Inc. There are transactions related to food products between Tokyu Hands Inc. and the Company, but the amount of the transactions is very small (less than 2% of the net sales of each Group). Mr. Yoichiro Shimomura, the candidate for Director, executed business of Sanrio Company, Ltd. from 1984 to 2022 as Director or in other positions, but currently he has no relationships with Sanrio Company, Ltd. There are transactions related to intellectual property between Sanrio Company, Ltd. and the Company, but the amount of the transactions is very small (less than 2% of the net sales of each Group). There are no special interests between any of the other candidates for Directors and the Company.
2. If Mr. Shinji Sakaki, and Ms. Tamaki Sawamura, the candidates for Directors, are reelected as Directors, the Company plans to continue to register them with the Tokyo Stock Exchange as Independent Officers. If Mr. Yoichiro Shimomura, and Ms. Hiromi Yamagishi, the candidates for Directors, are elected as Directors, the Company plans to register them with the Tokyo Stock Exchange as an Independent Officer.
3. Pursuant to the stipulations in Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation, the Company has entered into agreements with Mr. Shinji Sakaki and Ms. Tamaki Sawamura, the candidates for Directors, to limit their liabilities under Article 423, Paragraph 1 of the Companies Act. The amount of liability for damages under the agreements shall be limited to the amount stipulated by laws and regulations. If they are reelected as Directors, the Company plans to continue such agreement with them. If Mr. Yoichiro Shimomura and Ms. Hiromi Yamagishi, the candidates for Directors, are elected as Directors, pursuant to the stipulations in Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation, the Company plans to enter into an agreement with them to limit their liabilities under Article 423, Paragraph 1 of the Companies Act. The amount of liability for damages under the agreement shall be limited to the amount stipulated by laws and regulations.
4. The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, under which all Directors of the Company are designated as the insured and which covers damages and litigation expenses to be borne by the insured in the event that a claim for damages is made against the insured due to an act committed (including failure to act) by the insured in his/her capacity as a Director of the Company. The candidates for Directors are already the insured under the said insurance contract and if they are reelected as Directors, they will remain the insured. If Mr. Yoichiro Shimomura and Ms. Hiromi Yamagishi, the new candidates for Directors, are elected as Directors, they will also be the insured under the said insurance contract. The Company plans to renew the said insurance contract with the same content when it is due for the next renewal.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
1	Eijiro Ota (June 30, 1959) <u>Reappointment</u> Number of shares of the Company held [of which, to be issued as stock compensation]: 47,692 [23,892] Attendance at Board of Directors Meetings: 100% (15/15) Term of office as Director: 14 years	Apr. 1982 Joined the Company Jun. 2011 Assumed the office of Director Commissioned General Manager of Frozen Dessert Business Headquarters Apr. 2014 Commissioned General Manager of Sales Headquarters Jun. 2014 Assumed the office of Director, Senior Executive Officer Jun. 2015 Assumed the office of Director, Managing Executive Officer Jun. 2017 Assumed the office of Director, Senior Managing Executive Officer Jun. 2019 Assumed the office of Representative Director, President Jun. 2020 Assumed the office of President of the Morinaga Angel Foundation (current position) Jun. 2021 Assumed the office of Chairman of ALL NIPPON KASHI ASSOCIATION (current position) Jun. 2024 Assumed the office of Chairman of Japan Foods & Biotechnology Intellectual Property Rights Center (current position) Apr. 2025 Assumed the office of Representative Director, Chairman, CEO of the Company (current position) Significant concurrent positions President of the Morinaga Angel Foundation Chairman of ALL NIPPON KASHI ASSOCIATION Chairman of Japan Foods & Biotechnology Intellectual Property Rights Center Reason for nomination as a candidate for Director Mr. Eijiro Ota served in a managerial position at the sales division and the marketing division of the Company. He has been involved in the Company's management and has been exercising strong leadership in an effort to improve the corporate value of the Group as Director of the Company since 2011 and as Representative Director and President since 2019. Furthermore, since April 2025, he has been engaged in strategic decision-making for the Company as Representative Director, Chairman and CEO. With a wealth of experience and broad knowledge regarding corporate management, he has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests his reelection as Director.
2	Shinya Mori (March 14, 1962) <u>Reappointment</u> Number of shares of the Company held [of which, to be issued as stock compensation]: 14,536 [9,036] Attendance at Board of Directors Meetings: 100% (15/15) Term of office as Director: 6 years	Apr. 1984 Joined the Company Jun. 2013 General Manager of Health Care Business Division Apr. 2016 Executive Officer, General Manager of Health Business Headquarters Apr. 2018 Executive Officer, Deputy General Manager of R&D Center Jan. 2019 Executive Officer, General Manager of R&D Center Jun. 2019 Assumed the office of Director, Senior Executive Officer Commissioned General Manager of R&D Center Jun. 2023 Assumed the office of Director, Managing Executive Officer Apr. 2025 Assumed the office of Representative Director, President, COO (current position) [Responsibilities] Audit Division, R&D Center Reason for nomination as a candidate for Director Mr. Shinya Mori has experience primarily in the health business division and R&D division of the Company. While serving in a managerial position in the R&D division of the Company, he has been involved in the Company's management as Director from 2019 onward. Furthermore, since April 2025, he has been responsible for the execution of business operations as Representative Director, President and COO and has been exercising strong leadership in an effort to improve the corporate value of the Group. With a wealth of experience and broad knowledge regarding corporate management, he has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests his reelection as Director.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
3	Daisuke Fujii (October 18, 1964) <u>Reappointment</u> Number of shares of the Company held [of which, to be issued as stock compensation]: 11,754 [8,754] Attendance at Board of Directors Meetings: 100% (15/15) Term of office as Director: 6 years	Apr. 1987 Joined the Company Apr. 2018 General Manager of General Affairs Division Apr. 2019 Executive Officer, General Manager of General Affairs Division Jun. 2019 Assumed the office of Director, Senior Executive Officer Aug. 2019 Commissioned General Manager of Corporate Strategy Division Jul. 2022 Commissioned General Manager of General Affairs Division Sep. 2022 Commissioned General Manager of Strategic Investment Division Jun. 2023 Assumed the office of Director, Managing Executive Officer (current position) [Responsibilities] Corporate Strategy Division, General Affairs Division, DX Promotion Division, Intellectual Property Strategy Division
		Reason for nomination as a candidate for Director
		Mr. Daisuke Fujii has experience primarily in the IR division, corporate strategy division and human resources division of the Company. While serving in a managerial position in the general affairs division and the corporate strategy division, etc. of the Company, he has been involved in the Company's management as Director from 2019 onward. With a wealth of experience and broad knowledge regarding corporate management, he has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests his reelection as Director.
4	Hideki Matsunaga (February 16, 1967) <u>Reappointment</u> Number of shares of the Company held [of which, to be issued as stock compensation]: 16,166 [4,366] Attendance at Board of Directors Meetings: 100% (15/15) Term of office as Director: 3 years	Apr. 1990 Joined the Company Oct. 2010 General Manager of Area Sales Department, Confectionery and Foodstuff Sales Division Apr. 2014 General Manager of Sales Strategy Division, Sales Headquarters Apr. 2018 Executive Officer, General Manager of Sales Strategy Division, Sales Headquarters Apr. 2019 Executive Officer, General Manager of Confectionery and Foodstuff Sales Division, Sales Headquarters Oct. 2019 Executive Officer, General Manager of Sales Headquarters Apr. 2021 Senior Executive Officer, General Manager of Sales Headquarters Apr. 2022 Senior Executive Officer, General Manager of Marketing Headquarters Jun. 2022 Assumed the office of Director, Senior Executive Officer (current position) Commissioned General Manager of Marketing Headquarters Apr. 2025 Commissioned General Manager of Overseas Business Headquarters (current position) Assumed the office of Chairperson of the Board of Shanghai Morinaga Co., Ltd. (current position) Assumed the office of Chairperson of the Board of Morinaga (Zhejiang) Co., Ltd. (current position) [Responsibilities] Overseas Business Headquarters
		Significant concurrent positions
		Chairperson of the Board of Shanghai Morinaga Co., Ltd. Chairperson of the Board of Morinaga (Zhejiang) Co., Ltd.
		Reason for nomination as a candidate for Director
		Mr. Hideki Matsunaga has served in a managerial position in the sales division, the marketing division, and the overseas business division of the Company, and has been involved in the Company's management as Director from 2022 onward. With a wealth of experience and broad knowledge regarding corporate management, he has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests his reelection as Director.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
5	Tetsuya Takagi (August 16, 1963) <u>Reappointment</u> Number of shares of the Company held [of which, to be issued as stock compensation]: 6,474 [4,374] Attendance at Board of Directors Meetings: 93% (14/15) Term of office as Director: 3 years	Apr. 1986 Joined Fuji Xerox Co., Ltd. (currently FUJIFILM Business Innovation Corp.) Jul. 2015 Executive Officer, General Manager of Corporate Planning Division of Fuji Xerox Co., Ltd. Jul. 2017 Executive Counselor of Fuji Xerox Co., Ltd. Apr. 2018 Managing Executive Officer, responsible (deputy) for Corporate Planning Division of UNIZO Holdings Company, Limited Jul. 2019 Chief Financial Officer, Executive Officer, Director of Administration Division of Twinbird Corporation (currently Twinbird Co., Ltd.) Nov. 2021 Joined the Company Apr. 2022 Senior Executive Officer Jun. 2022 Assumed the office of Director, Senior Executive Officer (current position) Assumed the office of Representative Director, President of Morinaga Finance Co., Ltd. [Responsibilities] Accounting Division, Corporate Communications Division Reason for nomination as a candidate for Director Mr. Tetsuya Takagi served as an Executive Officer and a Chief Financial Officer in the electrical equipment industry and the real estate industry, and has been involved in the Company's management as Director from 2022. With a wealth of experience and broad knowledge regarding corporate management and finance & accounting, he has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests his reelection as Director.
6	Kenji Takanami (March 6, 1972) <u>Reappointment</u> Number of shares of the Company held [of which, to be issued as stock compensation]: 1,752 [952] Attendance at Board of Directors Meetings: 100% (11/11) Term of office as Director: 1 year	Apr. 1994 Joined the Company Apr. 2016 General Manager of Confectionery and Foodstuffs Marketing Division, Marketing Headquarters Apr. 2017 General Manager of Frozen Desserts Marketing Division, Marketing Headquarters Apr. 2021 Assumed the office of Representative Director, President of Aunt Stella Inc. Apr. 2024 Assumed the office of Senior Executive Officer of the Company Jun. 2024 Assumed the office of Director, Senior Executive Officer (current position) [Responsibilities] Sustainability Management Promotion Division, Direct Marketing Division Reason for nomination as a candidate for Director Mr. Kenji Takanami has served in a managerial position at the marketing division of the Company and as Representative Director of a Group company, and has been involved in the Company's management as Director from 2024. With a wealth of experience and broad knowledge regarding corporate management, he has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests his reelection as Director.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
7	Shinji Sakaki (January 23, 1957) <u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u> Number of shares of the Company held: 0 Attendance at Board of Directors Meetings: 100% (15/15) Term of office as Director: 3 years	Apr. 1980 Joined Tokyu Land Corporation Apr. 2006 Managing Officer and General Manager of Corporate Planning Department of Tokyu Land Corporation Jun. 2007 Assumed the office of Director and Executive Managing Officer of Tokyu Hands, Inc. (currently Hands Inc.) Apr. 2011 Assumed the office of President & CEO of Tokyu Hands, Inc. Jun. 2014 Assumed the office of Director of Tokyu Fudosan Holdings Corporation Apr. 2015 Assumed the office of President & CEO of Tokyu Livable, Inc. Apr. 2019 Assumed the office of Chairman of Tokyu Livable, Inc. Apr. 2022 Advisor of Tokyu Livable, Inc. (current position) May 2022 Assumed the office of Outside Director (Audit and Supervisory Committee Member) of SAN-A CO., LTD. (current position) Jun. 2022 Assumed the office of Director (Outside Director) of the Company (current position) Mar. 2024 Assumed the office of Outside Director of Senshukai Co., Ltd. (current position) <u>Significant concurrent positions</u> Outside Director (Audit and Supervisory Committee Member) of SAN-A CO., LTD. Outside Director of Senshukai Co., Ltd. <u>Reason for nomination as a candidate for Outside Director and expected role</u> Mr. Shinji Sakaki has a wealth of experience as an executive in the retail industry and the real estate industry, and based on the above experience, he has provided objective and neutral advice on overall management coming from a broad perspective that extends beyond the Company's industry. In the expectation that he will continue to contribute to the strengthening of corporate governance, the Company requests his reelection as Director (Outside Director).
8	Tamaki Sawamura (October 3, 1962) <u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u> Number of shares of the Company held: 0 Attendance at Board of Directors Meetings: 100% (11/11) Term of office as Director: 1 year	Apr. 1985 Joined Nestlé Japan Co., Ltd. Jul. 1991 Joined Asatsu International Inc. Oct. 1992 Joined Dentsu East Japan Inc. Oct. 2007 Joined Aflac Life Insurance Japan Ltd. Apr. 2008 General Manager, Advertising Department of Aflac Life Insurance Japan Ltd. Jan. 2015 Executive Officer responsible for the marketing division of Aflac Life Insurance Japan Ltd. Jan. 2023 Advisor of Aflac Life Insurance Japan Ltd. Aug. 2023 Advisor of HomeServe Japan Corporation (current position) Jun. 2024 Assumed the office of Outside Director of Takara Standard Co., Ltd. (current position) Assumed the office of Director (Outside Director) of the Company (current position) <u>Significant concurrent positions</u> Outside Director of Takara Standard Co., Ltd. <u>Reason for nomination as a candidate for Outside Director and expected role</u> Although Ms. Tamaki Sawamura has not been directly involved in corporate management, she has a wealth of experience as an executive officer and advisor in the insurance industry and the service industry, and based on the above experience, she has provided objective and neutral advice on overall management coming from a broad perspective that extends beyond the Company's industry. In the expectation that she will continue to contribute to the strengthening of corporate governance, the Company requests her reelection as Director (Outside Director).

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
9	Yoichiro Shimomura (March 11, 1962) <u>New appointment</u> <u>Outside Director</u> <u>Independent Officer</u> Number of shares of the Company held 0	Mar. 1984 Joined Sanrio Company, Ltd. Apr. 2010 Executive Officer of Sanrio Company, Ltd. Jun. 2013 Executive Officer, General Manager for Licensing Division of Sanrio Company, Ltd. Jun. 2014 Director of Sanrio Company, Ltd. Jun. 2020 Managing Executive Officer, Division General Manager for Entertainment Business Division of Sanrio Company, Ltd. Assumed office of Director of Sanrio Far East Co. (currently Sanrio Company, Ltd.) Jun. 2022 Assumed office of Representative Director, President of Fleur Co., Ltd. (current position) Significant concurrent positions Representative Director, President of Fleur Co., Ltd. Reason for nomination as a candidate for Outside Director and expected role Mr. Yoichiro Shimomura has a wealth of experience as an executive in the wholesale and licensing industries, and based on the above experience, he is expected to provide objective and neutral advice on overall management coming from a broad perspective that extends beyond the Company's industry to contribute to the strengthening of corporate governance. The Company therefore requests his election as Director (Outside Director).
10	Hiromi Yamagishi (March 4, 1963) <u>New appointment</u> <u>Outside Director</u> <u>Independent Officer</u> Number of shares of the Company held 0	Apr. 1985 Joined ASAHI BREWERIES, LTD. Apr. 2014 Director of Product Assurance Center, Production Headquarters of ASAHI BREWERIES, LTD. Mar. 2019 Executive Officer, Director of Product Assurance Center, Production Headquarters of ASAHI BREWERIES, LTD. Mar. 2022 Executive Officer, Head of DE&I Office of Asahi Group Japan, Ltd. Mar. 2023 Advisor, Head of DE&I Office of Asahi Group Japan, Ltd. Sep. 2023 Advisor, General Manager for Culture & Employee Experience Department, People & Culture Headquarters of Asahi Group Japan, Ltd. Apr. 2024 Advisor of Asahi Group Holdings, Ltd. (current position) Reason for nomination as a candidate for Outside Director and expected role Although Ms. Hiromi Yamagishi has not been directly involved in corporate management, she has served as the head of production and diversity promotion divisions in the food industry, and has a wealth of experience as an executive officer and advisor, and based on the above experience, she is expected to provide objective and neutral advice on overall management coming from a broad perspective to contribute to the strengthening of corporate governance. The Company therefore requests her election as Director (Outside Director).

(Reference) Directors' and Statutory Auditors' Specialties and Experience (Skills Matrix)

In order to realize the Group's purpose and vision, as well as its 2030 Business Plan and the Medium-Term Business Plan, we have specified the specialized knowledge and experience particularly expected of the Company's Directors and Statutory Auditors as follows. When selecting candidates for Directors and Statutory Auditors, we give consideration to ensuring the balance and diversity of human resources who possess these skills.

* If Proposal 2 is approved as originally proposed

Name and Position	Specialty and Experience							
	Corporate management / Management strategy	ESG / Sustainability	Finance / Accounting/ DX	Human resources / Labor affairs	Legal affairs / Compliance / Risk management	Marketing / Sales	Global	R&D / Production / Logistics
Eijiro Ota Representative Director, Chairman, CEO	●	●		●	●	●	●	●
Shinya Mori Representative Director, President, COO	●				●	●		●
Daisuke Fujii Director, Managing Executive Officer	●	●	●	●	●			
Hideki Matsunaga Director, Senior Executive Officer	●					●	●	●
Tetsuya Takagi Director, Senior Executive Officer	●		●	●	●		●	
Kenji Takanami Director Senior Executive Officer	●	●				●		●
Shinji Sakaki Director	●	●			●	●	●	
Tamaki Sawamura Director			●			●		
Yoichiro Shimomura Director	●					●		
Hiromi Yamagishi Director		●		●	●			●
Toshiaki Fukunaga Statutory Auditor	●						●	●
Takehiko Sasamori Statutory Auditor	●	●	●	●	●		●	
Sawako Ueno Statutory Auditor			●		●		●	
Hideo Kishi Statutory Auditor				●	●			

Note: The ● symbol is included in the relevant items if the officer possesses specialized knowledge and experience, such as having background as a business manager in each field.

Skill	Reasons for selection
Corporate management/Management strategy	To build appropriate management strategies and make responsible management decisions in order to achieve the sustainable growth of the Group while responding to changes in the business environment
ESG/Sustainability	To co-create with stakeholders to resolve social issues related to our business, and to improve the corporate value of the Group and realize a sustainable society
Finance/Accounting/DX	To enhance our ability to generate funds through management practices that are conscious of optimizing capital costs, and achieve stable and continuous shareholder returns, and to strengthen our management foundation and sustainably improve corporate value by investing in digital technology, etc.
Human resources/Labor affairs	To promote the active participation of diverse human resources and realize the happiness of employees based on a relationship of mutual trust between the Company and its employees, and to create new value and achieve the sustainable growth of the Group
Legal affairs/ Compliance/ Risk management	To establish an appropriate risk management system, promote compliance management, build and maintain the management foundation of the Group
Marketing/Sales	To accurately identify changes in the business environment and changes in consumer needs, develop management strategies in response, and improve our brand value and corporate value
Global	To strengthen the foundations for overseas expansion while understanding and respecting local cultures, and promote further global expansion in order to realize a richer and healthier eating habits for people around the world
R&D/Production/Logistics	To promote structural reforms, strengthen our business foundation, and establish a system for competitive advantages in order to create new value based on technology, respond to changes in the business environment, and improve profitability

(Reference) The Company's Executive Appointment Policy and Executive Independence Standards

Executive Appointment Policy

An overview of the Executive Appointment Policy is as follows.

1. In order to realize the purpose and vision of the Morinaga Group, Directors and Statutory Auditors of the Company shall be persons with specialties and experience in the necessary fields, taking into consideration diversity such as nationality, gender and age.
2. Executive Directors shall meet the "Morinaga Group Management Personnel Requirements" (persons who demonstrate basic qualities, popularity, leadership, challenging spirit, foresight and imagination, practical ability, and the utilization of new technologies and new fields), and shall be persons who can contribute to the sustainable growth of the Group.
3. Outside Directors shall meet the Company's Independence Standards stipulated separately, and shall be persons who can be expected to provide appropriate opinions and raise questions about the Group's management issues, etc. from an independent and objective standpoint.
4. Statutory Auditors shall be persons who can be expected to conduct accurate audits from an objective and neutral perspective utilizing their knowledge and experience regarding the legality and appropriateness of business execution. At least one Statutory Auditor shall have sufficient knowledge of financing and accounting, and Outside Statutory Auditors shall be persons who meet the Company's Independence Standards.

Morinaga Group Executive Independence Standards

The Company shall determine that Outside Directors, Outside Statutory Auditors, and candidates thereof are independent provided that they do not fall under any of the following categories.

1. A person for whom the Group is a major business partner, or a business executive thereof
Specifically, a person, or a corporation to which said person belongs, for whom net sales to the Group in the most recent fiscal year account for 2% or more of the annual consolidated net sales of the Group
2. A major business partner of the Group, or a business executive thereof
Specifically, a person, or a corporation to which said person belongs, to whom net sales by the Group in the most recent fiscal year account for 2% or more of the annual consolidated net sales of the Company
3. A consultant or accounting or legal professional who receives a large amount of money or other property from the Company other than executive remuneration, or a member of a corporation or organization, etc. that receives such property
A large amount of property refers to an amount equal to or more than 2% of the annual consolidated net sales of said corporation, etc. in the most recent fiscal year, or ¥10 million, whichever is higher.
4. A person who falls under categories 1. to 3. in the past year
5. A person who was a business executive of the Company or a subsidiary of the Company at the time of their appointment and for a period of 10 years prior to their appointment
6. A relative within the second degree of kinship of any person described in 1. to 5. above.
7. A person who is in conflict with the independence criteria stipulated by the Tokyo Stock Exchange, or a person who may cause a conflict of interest with the shareholders of the Company
8. A person whose term of office is more than 8 years in total

(Reference) Fiscal 2024 Report on “Effectiveness Evaluation of the Board of Directors”

The Company conducted a questionnaire-based survey among all Directors and Statutory Auditors in February 2025 regarding the effectiveness of the Board of Directors as a whole, for which an analysis and evaluation was conducted by a third-party organization (law firm). The Board of Directors of the Company in fiscal 2024 was evaluated as “functioning effectively.”

Based on the abovementioned third party evaluation, the Board of Directors of the Company held discussions during April and May, 2025, which confirmed that the Board of Directors of the Company is effective, and is functioning effectively, in accordance with the Company’s Corporate Governance Basic Policy, etc.

In addition, with regard to the issues identified in the previous fiscal year: (i) aim to further activate the Board of Directors by selecting appropriate topics and ensuring time for deliberation in order to discuss a wide range of management issues; and (ii) further enhance discussions relating to medium- to long-term management issues, including sustainability and medium-term management plans, as future issues

Accordingly, as part of ongoing efforts to further improve the issues identified in the previous fiscal year, the Company will place particular emphasis in working on the following matters as future issues:

“We aim to further enhance discussions relating to medium- to long-term management issues by selecting appropriate topics and ensuring time for deliberation.”

Based on this effectiveness evaluation of the Board of Directors, we will further improve the effectiveness of the Board of Directors of the Company, and further strengthen corporate governance, including by taking the necessary initiatives to improve the above issues.

(Reference) The Company's Policy on Cross-shareholdings

At the Board of Directors once every year, the Company evaluates stocks held for purposes other than pure investment, so-called cross-shareholdings, by taking into account the holding objectives and the medium- to long-term prospect of trading relationships with the holdings companies, and assesses whether the holding risks and benefits of each individual stock are commensurate with the capital cost. Based on these evaluations, it is the Company's policy to reduce holdings of cross-held shares, while determining the necessity of holding them.

With respect to exercising voting rights related to shares held as cross-holdings, the Company determines approval or disapproval for proposals by each individual stock after considering from the viewpoints of whether the proposal in question will impose a negative impact on the relationship and trading with the Morinaga Group, or whether significant concerns have arisen on corporate governance.

(Number of issues of cross-shareholdings, total amount of cross-held shares on the balance sheet, ratio to consolidated net assets as of March 31, 2025)

Number of issues		Total amount of cross-held shares on the balance sheet (Millions of yen)		Ratio to consolidated net assets (%)
Unlisted stocks	Stocks other than unlisted stocks	Unlisted stocks	Stocks other than unlisted stocks	
18	19	76	9,736	7.4

Business Report

(April 1, 2024 - March 31, 2025)

I. Overview of the Morinaga Group

Previously, overseas sales in the Direct Marketing Business were included under “China, Taiwan, Exports, etc.” However, the method of classification was changed to include such sales in the Direct Marketing Business starting from the beginning of the fiscal year under review. As a consequence, in the comparative analysis below, comparisons and analysis with the previous fiscal year have been made based on figures after the reclassification.

1. Business Progress and Results

During the fiscal year under review, the Japanese economy showed signs of a gradual recovery, supported by an improvement in the employment and income environment and an increase in inbound tourism consumption. On the other hand, as domestic prices continue to rise due to soaring raw material prices and the impact of foreign exchange rates, consumption appears to be slowing, especially for food and other non-durable goods, as consumers become more conscious of the need to economize. In addition, the environment surrounding business activities remains uncertain, including concerns about a global economic slowdown due to unstable international conditions and United States tariff policies.

Under these circumstances, the Group formulated the 2024 Medium-Term Business Plan (MTBP)—the second stage of laying a path toward achieving the 2030 Business Plan—and in the first year of this MTBP, it strengthened each business to create a virtuous cycle of growth potential and capital efficiency aimed at establishing a trajectory for dramatic growth.

Consequently, net sales increased by ¥15,589 million (+7.3%) year on year to ¥228,957 million, led chiefly by strong performance in the Confectionery & Foodstuffs Business and Frozen Desserts Business.

In terms of profit, despite the impact of soaring raw material prices and other factors, operating income increased to ¥21,266 million, up ¥993 million (+4.9%) year on year, due to growth in sales and countermeasures centered on price revisions. Ordinary income also increased by ¥1,265 million (+6.0%) year on year, to ¥22,304 million. Profit attributable to owners of parent was ¥17,710 million, up ¥2,556 million (+16.9%) year on year, due to partly the recording of extraordinary income from the sale of cross-shareholdings.

The following is a summary of consolidated results by business segment.

<u>Food Manufacturing</u>	<u>Sales:</u>	¥217,578 million (+6.8% YoY)
	<u>Segment operating income:</u>	¥19,862 million (-0.2% YoY)

Principal business: Manufacturing and sale of confectionery, frozen desserts, jelly drinks, etc.

Sales for the Food Manufacturing business segment increased by 6.8% year on year to ¥217,578 million. Operating income for the segment decreased by ¥47 million year on year to ¥19,862 million.

Confectionery & Foodstuffs	Sales:	¥84,436 million (+6.6% YoY)
	Segment operating income:	¥3,917 million (-3.3 % YoY)

In the biscuit category, the in-store turnover of *Morinaga Biscuits* did slow partly due to a temporary reduction in in-store exposure opportunities following the price revisions in September, but largely recovered toward the end of the fiscal year as expected. In addition, promotions centered around the 30th anniversary of *Chocochips Cookie*, and the launch of new products contributed to an increase in the brand's overall sales year on year.

In the sugar confectionery category, sales of *HI-CHEW* increased significantly year on year, driven by continued strong domestic demand due to measures to stimulate demand through promotions leveraging its 50th anniversary and the launch of new products, as well as the capture of inbound demand. Sales of *Morinaga Ramune* also increased significantly year on year, with both the pouch form of *Otsubu Ramune* and the bottle form continuing to sell well due to enhanced promotions and in-store exposure leading up to the entrance exam season.

In the chocolate category, sales of *Carré de chocolat* increased year on year, supported by strong sales of *Cacao 70* as demand for high-cacao-content chocolate continued to grow even after the price revisions in February. Sales of *DARS* increased year on year due to steady sales of core products *DARS Milk* and *Shiroi DARS* even after the price revisions in February. Sales of *Chocoball* increased year on year, with efforts to strengthen in-store exposure and increased buzz through media exposure contributing to strong sales even after the price revisions in March.

In the foodstuffs category, sales of *Morinaga Cocoa* increased significantly year on year through ongoing efforts to stimulate demand as a health brand, supported by strong performance, particularly of *Pure Cocoa Powder*, which continued even after the price revisions in February. Sales of *Morinaga Amazake* decreased year on year.

Additionally, as a measure to improve profitability in response to the rising costs of raw materials and other inputs, price revisions and content reductions were implemented in April for certain products in the sugar confectionery and chocolate categories, in September for products in biscuit and chocolate categories and for certain cocoa and amazake products, and in February and March for certain products in the chocolate category and for certain cocoa products.

As a result, total net sales for the Confectionery & Foodstuffs Business increased by ¥5,242 million (+6.6%) year on year to ¥84,436 million.

In terms of profit, segment operating income decreased by ¥131 million (-3.3%) year on year to ¥3,917 million, strongly affected by soaring prices for cacao raw material, despite the positive effects of increased sales and price revisions.

Frozen Desserts	Sales:	¥49,360 million (+8.7% YoY)
	Segment operating income:	¥4,258 million (-11.6% YoY)

In the *Jumbo Group*, *Choco Monaka Jumbo* underwent a quality renewal in March to further enhance the crispy texture that is the value of the brand. Efforts were made to stimulate purchasing by appealing to the enhanced quality of *Choco Monaka Jumbo* and the commitment to vanilla ice cream in *Vanilla Monaka Jumbo* through package design changes and TV commercials. As a result, sales of the group as a whole increased year on year. Sales of *Ita Choco Ice* increased significantly year on year, with the resumption of sales of *Shiroi Ita Choco Ice* and intermittent promotions further expanding the customer base. Sales of *The Crepe* increased significantly year on year, with the buzz created by the launch of a new channel-exclusive product also contributing to increased sales of core products. Sales of *ICEBOX* remained strong thanks to ongoing efforts to promote the product as a mixer for alcoholic beverages leading to increased demand in autumn and winter and expanded stocking of the product on store shelves.

In addition, prices of mainstay products were revised in September as a measure to improve profitability in the face of rising raw material and other costs.

As a result, total net sales for the Frozen Desserts Business increased by ¥3,966 million (+8.7%) year on year to ¥49,360 million.

In terms of profit, segment operating income decreased by ¥560 million (-11.6%) year on year to ¥4,258 million, due to the significant impact of soaring prices of cacao material, which outweighed the positive effects of increased sales and price revisions.

“in-” Business	Sales:	¥31,339 million (-0.8% YoY)
	Segment operating income:	¥7,300 million (+10.0% YoY)

Sales of the *in Jelly* brand as a whole were flat year on year. Despite continued efforts to stimulate purchases through promotions targeted at students preparing for entrance exams and strengthened instore exposure leveraging limited-time products, there was also a reversal from the large increase in net sales of *Energy: Glucose Boost* during the previous year’s entrance exam season. In the *in Bar* category, amid a gradual decline in the protein bar market due to an increasingly competitive environment caused by diversification of means of protein intake, sales decreased year on year despite efforts to stimulate purchases through consumer campaigns and strengthened in-store promotions using sales fixtures.

Efforts to reduce costs were undertaken and prices for certain products were revised in December as measures to improve profitability in the face of rising raw material and other costs.

As a result, total net sales for the “in-” Business decreased by ¥240 million (-0.8%) year on year to ¥31,339 million.

In terms of profit, segment operating income increased by ¥666 million (+10.0%) year on year to ¥7,300 million thanks to measures to improve profitability.

Direct Marketing Business	Sales:	¥11,184 million (+2.0% YoY)
	Segment operating income:	¥478 million (+131.4% YoY)

Despite efforts to expand the customer base by strengthening online advertising, sales of *Morinaga Collagen Drink* decreased year on year due to sluggish growth in new customer acquisition as consumers became more conscious of the need to economize. Sales of *Morinaga Aojiru*, the second pillar candidate product in the Direct Marketing Business, increased steadily.

As a result, total net sales for the Direct Marketing Business increased by ¥215 million (+2.0%) year on year to ¥11,184 million.

In terms of profit, segment operating income increased by ¥272 million (+131.4%) year on year to ¥478 million as a result of controlling advertising investment according to the customer acquisition efficiency.

Operating Subsidiaries	Sales:	¥10,954 million (+12.0% YoY)
	Segment operating income:	¥1,080 million (+28.4% YoY)

Net sales at Aunt Stella Inc. increased year on year. Despite having implemented price revisions as a measure to improve profitability in the face of rising costs of raw materials and other inputs, sales of bulk cookies and cookie buffet bags continued to be strong at directly operated stores throughout Japan, and an increase in outlets at major mass retailers also contributed to sales growth. Net sales at Morinaga Market Development Co., Ltd. increased year on year driven by steady sales at amusement parks, which benefited from an increase in the number of foreign visitors to Japan due to a weaker yen.

As a result, total net sales for operating subsidiaries increased by ¥1,177 million (+12.0%) year on year to ¥10,954 million.

Segment operating income increased by ¥239 million (+28.4%) year on year to ¥1,080 million.

[Year-on-year changes (%) in sales of mainstay brands]

Confectionery & Foodstuffs Business		Frozen Desserts Business		“in-” Business	
<i>Morinaga Biscuits</i>	102	<i>Jumbo Group</i>	101	<i>in Jelly</i>	100
<i>HI-CHEW</i>	110	<i>Ita Choco Ice</i>	128	<i>in Bar</i>	96
<i>Morinaga Ramune</i>	125	<i>The Crepe</i>	126	Direct Marketing Business	
<i>Carré de chocolat</i>	110	<i>ICEBOX</i>	111	<i>Morinaga Collagen Drink</i>	97
<i>DARS</i>	112				
<i>Chocoball</i>	116				
<i>Morinaga Amazake</i>	92				
<i>Morinaga Cocoa</i>	133				

* The figures in the table are year-on-year changes in gross domestic sales results.

U.S. Business	Sales:	¥20,956 million (+9.2% YoY)
	Segment operating income:	¥3,064 million (-5.4% YoY)

Regarding *HI-CHEW*, although sales in the convenience store channel continued to be affected by weaker consumer spending due to inflation, efforts were made to increase the number of SKUs by expanding the volume options of existing products and launching new products. In addition, efforts to tap into new sales channels were stepped up, and as a result, sales increased year on year. As for the *Chargel* gel drink, efforts were made to improve product understanding by promoting the new tagline, “Thirst-Quenching Snack” (a snack that can also quench thirst) and to capture demand in daily sports scenes. In brick-and-mortar channels, efforts continue to be made to promote the brand to local retailers, while in e-commerce channels, net sales are steadily increasing.

As a result, total net sales for the U.S. Business rose by ¥1,769 million (+9.2%) year on year to ¥20,956 million.

In terms of profit, segment operating income decreased by ¥176 million (-5.4%) year on year to ¥3,064 million due to strategic marketing investments, despite the positive effect of increased sales.

China, Taiwan, Exports, etc.	Sales:	¥9,060 million (+20.9% YoY)
	Segment operating income:	¥496 million (+6.5% YoY)

In China, sales of *HI-CHEW* remained brisk, while import sales of Japanese products were steady. In Taiwan, although in-store turnover of *HI-CHEW* struggled following the price revisions in May, sales are now recovering, helped by promotions and the launch of new products. Sales of *Caramel* remain strong. Sales of *HI-CHEW* are also steadily growing in East Asia, Southeast Asia, Oceania, and Europe, which are areas of exploration and research.

As a result, total net sales for China, Taiwan, Exports, and other regions, increased by ¥1,568 million (+20.9%) year on year to ¥9,060 million.

Segment operating income increased by ¥30 million (+6.5%) year on year to ¥496 million.

<u>Food Merchandise</u>	<u>Sales:</u>	<u>¥8,690 million (+25.8% YoY)</u>
	<u>Segment operating income:</u>	<u>¥1,441 million (+282.0% YoY)</u>

Principal business: Wholesale of foodstuffs for commercial use

Sales were strong, as demand increased, mainly for core products, despite several price revisions during the fiscal year under review as a measure to improve profitability in response to increase in raw material costs, etc.

As a result, net sales for the Food Merchandise segment increased by ¥1,781 million (+25.8%) year on year to ¥8,690 million.

Segment operating income increased by ¥1,064 million (+282.0%) year on year to ¥1,441 million.

<u>Real Estate and Services</u>	<u>Sales:</u>	<u>¥1,870 million (-2.1% YoY)</u>
	<u>Segment operating income:</u>	<u>¥801 million (-3.9% YoY)</u>

Principal business: Real estate trading, real estate leasing, golf course management

Net sales for the segment decreased by ¥41 million (-2.1%) year on year to ¥1,870 million.
Segment operating income decreased by ¥33 million (-3.9%) year on year to ¥801 million.

<u>Other Services</u>	<u>Sales:</u>	<u>¥817 million (+10.8% YoY)</u>
	<u>Segment operating income:</u>	<u>¥165 million (+16.2% YoY)</u>

Net sales amounted to ¥817 million, while segment operating income was ¥165 million.

2. Issues to Be Addressed

Positioning the 2024 Medium-Term Business Plan launched in fiscal 2024 as the second stage in ensuring the achievement of the 2030 Business Plan, the Group has established the key message of “Establishing a trajectory for dramatic growth” and is promoting business activities. We will promote sustainability management in both financial and non-financial aspects with the aim of realizing sustainable growth, and by swiftly implementing the management strategies described below, we will create a virtuous cycle of growth and return on capital, and ensure our growth trajectory toward 2030.

(1) Concentrate Resources on the Key Domain to Drive Growth

We will drive the growth of the Morinaga Group by expanding the *in* business, centering on *in Jelly*, and the frozen desserts business, including *Choco Monaka Jumbo*, and concentrate our business resources on the key domain, such as the Direct Marketing business including *Morinaga Collagen Drink*, and the development of brands centering on the *HI-CHEW* brand and the strengthening of our business foundation in the United States.

(2) Enhance Return on Capital in the Core Domain

In the confectionery business and the foodstuffs business, we will establish a strong revenue base by promoting various initiatives, including the shift to a category portfolio by concentrating on mainstay brands such as *HI-CHEW* and *Morinaga Biscuits*, an increase in net sales leveraging our assets, the selection and concentration on maintenance and renewal investments, cost reductions and improved efficiency of selling expenses, and flexible price revisions.

(3) Promote Structural Reform Centering on Functional Departments

We will strive to improve the return on capital throughout the Company by further evolving the smart factory in the manufacturing operations, improving productivity by optimizing the organizations of the sales operations in anticipation of market changes, and building a logistics system.

(4) Create and Develop New Businesses through Exploration and Research Areas

Centered on wellness, in Japan we are taking on the challenge of entering the oral care field utilizing our proprietary technology and developing the *Passienol™* business with our in-house developed ingredient, and overseas we are working to create markets for jelly drinks and collagen drinks, and create and nurture the seeds for next-generation growth.

(5) Establish a Robust Business Base

We will implement human capital management through “diversity and inclusion,” “human resources development and creation of an organizational culture,” and “the promotion of health management.” Health management will be promoted mainly by the Health Promotion Sub-Committee under the Human Resources Committee in order to improve employee engagement and productivity. In the area of R&D, we will promote value creation through the “deepening of existing technologies” and “exploration of new technologies” from a global perspective. In the area of DX, we will build a business foundation that provides cross-functional support for business strategies, including expanding our digital business foundation and using AI technology, etc. to improve operational sophistication and efficiency.

(6) Resolve Social Issues through Food

As a food manufacture, we consider our key tasks not only to deliver safe and reliable products to customers, but also to promote business activities considerate to the global environment and society. We will continue coordinating and collaborating with our business partners to pursue protection of the global environment and sustainable raw materials procurement throughout our supply chains.

(7) Promotion of Diversity and Inclusion

Under the belief of “leveraging each person’s individuality,” we are drawing on the talents of each and every employee in our diverse workforce and pooling their knowledge and capabilities to create new value and spark innovation that will lead to improvement of internal processes and resolution of issues of customers and society. In this regard, we will work to deepen our understanding of diversity and strengthen the support that contributes to value creation.

In these endeavors, we request further support of shareholders.

3. Capital Investment

Capital investment during the fiscal year under review totaled ¥10,689 million, which is mainly investment for renewal of mainstay systems, and installation of new facilities and renewal of existing facilities for the Food Manufacturing business.

4. Financing

The funds required for the fiscal year under review were covered by the Company’s funds, corporate bonds, and loans payable, and the Company did not issue new shares for financing.

5. Trends in Assets and Income

(1) Trends in Assets and Income of the Morinaga Group

(In millions of yen, unless otherwise specified.)

Item	The 174th fiscal year ended March 31, 2022	The 175th fiscal year ended March 31, 2023	176th fiscal year ended March 31, 2024	177th fiscal year ended March 31, 2025 (Fiscal year under review)
Net sales	181,251	194,373	213,368	228,957
Food Manufacturing	172,750	185,491	203,810	217,578
Food Merchandise	5,935	6,277	6,909	8,690
Real Estate and Services	1,915	1,924	1,911	1,870
Other Services	649	679	737	817
Operating income	17,685	15,235	20,273	21,266
Operating income to net sales (%)	9.8	7.8	9.5	9.3
Ordinary income	18,247	15,757	21,039	22,304
Profit attributable to owners of parent	27,773	10,059	15,154	17,710
Net income per share (yen)	276.29	104.38	165.60	200.85
Total assets	214,300	205,226	223,644	209,986
Net assets	131,174	125,856	132,653	132,393
Net assets per share (yen)	1,301.97	1,322.63	1,448.01	1,523.09

- Notes: 1. In the 174th fiscal year, a gain on sales of investment securities of approx. ¥21.9 billion was recorded as an extraordinary income.
2. In the 175th fiscal year, a loss on sales and retirement of noncurrent assets of approx. ¥1.5 billion was recorded as an extraordinary loss.
3. In the 176th fiscal year, a gain on sales of non-current assets of approximately ¥0.9 billion and a gain on sales of investment securities of approximately ¥0.7 billion were recorded as extraordinary income, and an impairment loss of approximately ¥1.7 billion was recorded as an extraordinary loss.
4. In the 177th fiscal year, a gain on sales of investment securities of approximately ¥3.3 billion was recorded as an extraordinary income, and an impairment loss of approximately

¥1.0 billion was recorded as an extraordinary loss.

5. Based on a resolution of the Board of Directors meeting held on November 10, 2023, the Company conducted a two-for-one stock split of its common stock effective January 1, 2024. Net income per share and Net assets per share are calculated assuming that the stock split was conducted at the beginning of the 174th fiscal year.

(2) Trends in Assets and Income of MORINAGA & CO., LTD.

(In millions of yen, unless otherwise specified.)

Item	The 174th fiscal year ended March 31, 2022	The 175th fiscal year ended March 31, 2023	The 176th fiscal year ended March 31, 2024	The 177th fiscal year ended March 31, 2025 (Fiscal year under review)
Net sales	155,425	161,284	173,340	183,019
Ordinary income	13,714	12,371	11,450	13,319
Net income	24,717	7,872	8,410	11,779
Net income per share (yen)	245.89	81.69	91.91	133.59
Total assets	197,405	183,712	196,926	176,289
Net assets	112,783	104,816	102,226	94,717
Net assets per share (yen)	1,129.24	1,112.93	1,128.21	1,102.38

- Notes: 1. In the 174th fiscal year, a gain on sales of investment securities of approx. ¥21.9 billion was recorded as an extraordinary income.
2. In the 175th fiscal year, a loss on sales and retirement of noncurrent assets of approx. ¥1.3 billion was recorded as an extraordinary loss.
3. In the 176th fiscal year, a gain on the sale of noncurrent assets of approximately ¥0.9 billion and a gain on the sale of investment securities of approximately ¥0.7 billion were recorded as extraordinary income, and an impairment loss of approximately ¥1.7 billion was recorded as an extraordinary loss.
4. In the 177th fiscal year, a gain on the sale of investment securities of approximately ¥3.3 billion was recorded as an extraordinary income, and an impairment loss of approximately ¥1.1 billion was recorded as an extraordinary loss.
5. Based on a resolution of the Board of Directors meeting held on November 10, 2023, the Company conducted a two-for-one stock split of its common stock effective January 1, 2024. Net income per share and Net assets per share are calculated assuming that the stock split was conducted at the beginning of the 174th fiscal year.

6. Significant Parent Company and Subsidiaries

(1) Relationship with the Parent Company

Not applicable

(2) Significant Subsidiaries

Company name	Capital stock	The Company's ownership	Principal business
Morinaga Angel Dessert Co., Ltd.	450 million yen	100.0%	Manufacturing and sale of frozen desserts, etc.
Morinaga Dessert Co., Ltd.	450 million yen	100.0%	Manufacturing and sale of frozen desserts, etc.
Takasaki Morinaga Co., Ltd.	100 million yen	100.0%	Manufacturing and sale of confectioneries and frozen desserts
Morinaga Shoji Co., Ltd.	300 million yen	100.0%	Sale of confectioneries and foodstuffs
Taiwan Morinaga Co., Ltd.	354 million New Taiwan dollars	55.2%	Manufacturing and sale of confectioneries, foodstuffs, and jelly drinks
Shanghai Morinaga Co., Ltd.	187 million Chinese yuan	100.0%	Sale of confectioneries and frozen desserts
Morinaga America, Inc.	28 million US dollars	100.0%	Sale of confectioneries and jelly drinks
Morinaga America Foods, Inc.	105 million US dollars	100.0%	Manufacturing and sale of confectioneries

Note: In order to strengthen its capital, Morinaga America Foods, Inc. increased its capital stock in August 2024, January 2025, and March 2025 from 47 million US dollars to 105 million US dollars.

(3) Significant Business Combination, etc.

The Company has 15 consolidated subsidiaries including the 8 significant subsidiaries listed above. It also has 2 affiliated companies accounted for by the equity method.

(4) Specified Wholly Owned Subsidiaries at the end of the fiscal year

Not applicable

(5) Other

The Company has entered into a business alliance contract with Barry Callebaut concerning supply of chocolate solution.

7. Employees

(1) Employees of the Morinaga Group

Segment	Number of employees	Change from the previous fiscal year-end
Food Manufacturing	2,979	+59
Food Merchandise	52	+4
Real Estate and Services	33	-1
Other Services	89	-2
Total	3,153	+60

- Notes: 1. The number of employees is that of people working for the Group (excluding the number of people seconded from the Group to outside the Group and including the number of people seconded from outside the Group to the Group.)
2. The yearly average number of temporary workers (including part-time workers and contracted employees), which is 1,905, has been excluded from the number of employees.

(2) Employees of MORINAGA & CO., LTD.

Number of employees	Change from the previous fiscal year-end	Average age	Average years of service
1,538	+34	43.4 years old	19.1 years

- Notes: 1. The number of employees is that of people working for the Company (excluding the number of people seconded from the Company to outside the Company and including the number of people seconded from outside the Company to the Company.)
2. The yearly average number of temporary workers (including part-time workers and contracted employees), which is 716, has been excluded from the number of employees.

8. Principal Business Offices and Factories

Food Manufacturing MORINAGA & CO., LTD.

Head Office	1-13-16 Shibaura, Minato-ku, Tokyo	
Branch Offices	Hokkaido Branch Office	Sapporo-shi
	Tohoku Branch Office	Sendai-shi
	Kanto Shinetsu Branch Office	Takasaki-shi
	Tokyo Branch Office	Minato-ku, Tokyo
	Chubu Branch Office	Nagoya-shi
	West Japan Branch Office	Amagasaki-shi
	Chugoku Shikoku Branch Office	Hiroshima-shi
	Kyushu Branch Office	Fukuoka-shi
Factories	Oyama Factory	Oyama-shi
	Tsurumi Factory	Yokohama-shi
	Mishima Factory	Mishima-shi
	Chukyo Factory	Anjo-shi
R&D Center	R&D Center	Yokohama City

Subsidiaries, etc.

Japan	Takasaki Morinaga Co., Ltd.	Takasaki-shi
	Aunt Stella Inc.	Minato-ku, Tokyo
	Morinaga Angel Dessert Co., Ltd.	Yamato-shi
	Morinaga Dessert Co., Ltd.	Tosu-shi
Overseas	Taiwan Morinaga Co., Ltd.	Taipei, Taiwan
	Shanghai Morinaga Co., Ltd.	Shanghai, China
	Morinaga (Zhejiang) Co., Ltd.	Zhejiang, China
	Morinaga America, Inc.	California, USA
	Morinaga America Foods, Inc.	North Carolina, USA

9. Principal Lenders

(1) Principal Lenders to the Morinaga Group

Lender	Outstanding borrowings (Millions of yen)
MUFG Bank, Ltd.	5,300
Mizuho Bank, Ltd.	3,000

(2) Principal Lenders to MORINAGA & CO., LTD.

Lender	Outstanding borrowings (Millions of yen)
MUFG Bank, Ltd.	5,300
Mizuho Bank, Ltd.	3,000

II. Status of Shares

- 1. Total Number of Shares Authorized to Be Issued** 200,000,000 shares
- 2. Total Number of Issued Shares** 86,001,766 shares
(excluding 2,009,872 shares of treasury stock)
- 3. Number of Shareholders** 51,605 persons
(An increase of 13,576 shareholders from the previous fiscal year-end)

4. Major Shareholders (Top Ten Shareholders)

Shareholder name	Number of shares held (thousand shares)	Ratio of voting rights (%)
The Master Trust Bank of Japan, Ltd. (trust account)	12,097	14.0
MORINAGA Business Partner Shareholding Association	6,457	7.5
Custody Bank of Japan, Ltd. (trust account)	5,922	6.8
Meiji Yasuda Life Insurance Company	2,242	2.6
STATE STREET BANK AND TRUST COMPANY 505001	2,049	2.3
Morinaga Milk Industry Co., Ltd.	1,372	1.5
Mizuho Bank, Ltd.	1,278	1.4
Morinaga Group Employee Stock Ownership Association	1,272	1.4
JP MORGAN CHASE BANK 385632	1,162	1.3
JP MORGAN CHASE BANK 385781	1,066	1.2

- Notes: 1. The Company holds 2,009,872 shares of treasury stock but is excluded from the list of major shareholders above.
2. The ratio of voting rights is calculated excluding treasury stock.

5. Other Significant Matters concerning Stock

In accordance with the resolution adopted at the 170th Annual General Meeting of Shareholders held on June 28, 2018 and the Board of Directors' resolution based on it, the Company introduced a performance-linked stock compensation plan using a trust for which the Company's Directors (excluding Outside Directors and Directors who are non-residents of Japan) are eligible. In accordance with the Board of Directors' resolutions on August 11, 2021 and August 8, 2024, the Company decided to continue the said plan and to extend the trust period. As of March 31, 2025, the number of shares of the Company owned by the trust account for the BIP is 80,784.

**6. Status of shares granted to Company Officers as Consideration for the Execution of Duties
During the Fiscal Year under Review**

Category	Number of recipients	Number of shares granted	Of which, number of shares converted into cash
Directors (excluding Outside Directors)	2	18,578	9,378
Outside Directors	-	-	-
Statutory Auditors	-	-	-

Note: Part of the shares granted were converted into cash and delivered at the amount equivalent to the proceeds from disposal of the shares.

III. Company Officers

1. Directors and Statutory Auditors (as of March 31, 2025)

Position	Name	Responsibilities and significant concurrent positions
Representative Director, President	Eijiro Ota	Responsible for Audit Division President of the Morinaga Angel Foundation Chairman of ALL NIPPON KASHI ASSOCIATION Chairman of Japan Foods & Biotechnology Intellectual Property Rights Center
Director, Managing Executive Officer	Shinya Mori	Responsible for R&D Center, Quality Assurance Division, Customer Service Center, Intellectual Property Strategy Division
Director, Managing Executive Officer	Daisuke Fujii	Responsible for Corporate Strategy Division, General Affairs Division, Strategic Investment Division, DX Promotion Division
Director, Senior Executive Officer	Hideki Matsunaga	Responsible for Logistics Division, Sales Headquarters
Director, Senior Executive Officer	Tetsuya Takagi	Responsible for Accounting Division, Corporate Communications Division
Director, Senior Executive Officer	Kenji Takanami	Responsible for Sustainability Management Promotion Division, Direct Marketing Division, Marketing Headquarters
Director	Kuniko Urano	Outside Director of Yokogawa Electric Corporation Outside Director of NIPPON STEEL CORPORATION
Director	Shinji Sakaki	Outside Director (Audit and Supervisory Committee Member) of SAN-A CO., LTD. Outside Director of Senshukai Co., Ltd.
Director	Tamaki Sawamura	Outside Director of Takara Standard Co., Ltd.
Standing Statutory Auditor	Toshiaki Fukunaga	
Standing Statutory Auditor	Takehiko Sasamori	
Statutory Auditor	Sawako Ueno	Head of Sawako Ueno Certified Public Accountant Office Outside Statutory Auditor of AIRPORT FACILITIES CO., LTD. Outside Director (Member of the Audit Committee), SUMIDA CORPORATION
Statutory Auditor	Hideo Kishi	Professor, Tokyo Metropolitan University Law School

- Notes:
1. Directors Ms. Kuniko Urano, Mr. Shinji Sakaki, and Ms. Tamaki Sawamura are Outside Directors.
They are Independent Officers as prescribed by the regulations of the Tokyo Stock Exchange.
 2. Standing Statutory Auditor Mr. Takehiko Sasamori and Statutory Auditors Ms. Sawako Ueno and Mr. Hideo Kishi are Outside Statutory Auditors.
They are Independent Officers as prescribed by the regulations of the Tokyo Stock Exchange.
 3. Directors Mr. Kenji Takanami and Ms. Tamaki Sawamura and Statutory Auditor Mr. Hideo Kishi were newly elected at the 176th Annual General Meeting of Shareholders held on June 27, 2024 and assumed office.
 4. The Company has no important transactions or other relationships with other corporations at which Directors Ms. Kuniko Urano, Mr. Shinji Sakaki, and Ms. Tamaki Sawamura and Statutory Auditors Ms. Sawako Ueno and Mr. Hideo Kishi have concurrent positions.
 5. Standing Statutory Auditor Mr. Takehiko Sasamori has highly specialized knowledge as a certified public accountant in the State of Delaware, United States, and has considerable knowledge of finance and accounting. Statutory Auditor Ms. Sawako Ueno has highly specialized knowledge and extensive experience as a certified public accountant, as well as business experience at the Financial Services Agency, and has considerable knowledge of finance and accounting.
 6. Directors Ms. Machiko Miyai, Mr. Takashi Hirakue, Ms. Naomi Eto, and Mr. Shuichi Hoshi and Statutory Auditor Mr. Koichi Sakaguchi retired from their positions at the conclusion of the 176th Annual General Meeting of Shareholders held on June 27, 2024.

Reference: Positions, names, and responsibilities of Executive Officers as of March 31, 2025 are as follows:

Position	Name	Responsibilities and significant concurrent positions
Senior Executive Officer	Masaaki Takahashi	Responsible for Human Resources Division
Senior Executive Officer	Masaki Matsumoto	General Manager of Overseas Business Headquarters
Senior Executive Officer	Shuji Watanabe	General Manager of Production Headquarters
Senior Executive Officer	Ayako Kunichika	General Manager of Procurement Division, Production Headquarters
Senior Executive Officer	Isao Matsuzaki	General Manager of New Business Development Division
Executive Officer	Keisuke Ohashi	General Manager of Overseas Strategy Division, Overseas Business Headquarters
Executive Officer	Terushi Hyodo	General Manager of Sustainable Management Promotion Division
Executive Officer	Jyunji Tsuchiya	General Manager of Logistics Division
Executive Officer	Minoru Takizawa	General Manager of Sales Headquarters
Executive Officer	Shinichi Umemura	General Manager of R&D Center
Executive Officer	Minoru Sato	General Manager of Confectionery Marketing Division, Marketing Headquarters
Executive Officer	Kiyoshi Kawagishi	General Manager of Corporate Strategy Division
Executive Officer	Tadashi Ando	General Manager of Human Resources Division
Executive Officer	Hiroyuki Watanabe	Deputy General Manager of R&D Center
Executive Officer	Takanori Sakuragi	General Manager of Marketing Headquarters

2. Summary of Agreement on Limitation of Liability

Pursuant to the stipulations in Article 427, Paragraph 1 of the Companies Act and Articles 30 and 40 of the Company's Articles of Incorporation, the Company has entered into agreements with all Outside Directors and Outside Statutory Auditors to limit their liabilities under Article 423, Paragraph 1 of the Companies Act. The amount of liability for damages under the said agreements shall be limited to the amount stipulated by laws and regulations.

3. Summary of Directors and Officers Liability Insurance Contract

The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company under which the Company's and its subsidiaries' directors (including those who have already retired from their position as director), statutory auditors, executive officers, important employees and officers assigned to organizations outside the Group are designated as the insured. The insurance premiums are fully borne by the Company.

The said insurance contract covers damages and litigation expenses to be borne by the insured in the event that a claim for damages is made against the insured due to an act committed (including failure to act) by the insured in his/her capacity as a director or officer of the Company or its subsidiaries. However, by stipulating certain exemption clauses such as excluding damages caused as a result of any criminal act, such as bribery, or willful misconduct committed by a director or officer and imposed on the director or officer from the scope of the insurance coverage, measures are taken to avoid compromising the appropriateness of execution of duties by directors and officers.

4. Basic Policy and Structure of Executive Remuneration System

At the meeting of the Board of Directors held on February 10, 2021, the Company resolved the policy on determination of remuneration for individual Directors, and subsequently made partial amendments to the policy at meetings of the Board of Directors held on March 23, 2023 and February 8, 2024.

Specific details of remuneration for individual Directors for the fiscal year under review are determined and paid based on the policy on determination of remuneration for individual Directors prior to the amendments of February 8, 2024 (hereinafter referred to as the "pre-amendment policy").

The following is based on the policy on determination of remuneration for individual Directors following partial amendments made by resolution of the meeting of the Board of Directors held on February 8, 2024. For the amended matters, we refer to the pre-amendment policy to the extent necessary to explain decisions on specific details of remuneration for Directors for the fiscal year under review. At the meeting of the Board of Directors held on February 8, 2024, the Company abolished executive bonuses and amended the composition of remuneration for Executive Directors, including amendments to details of performance indicators for performance-linked remuneration and details of non-monetary remuneration. The amendments related to performance-linked remuneration will be applied to performance-linked remuneration for Executive Directors paid in fiscal 2025 based on performance evaluations for fiscal 2024.

(1) Total Amount of Remuneration for Directors and Statutory Auditors for the Fiscal Year under Review

Category	Total amount of remuneration (Millions of yen)	Total amount by type of remuneration (Millions of yen)			Number of persons
		Monetary remuneration		Non-monetary remuneration	
		Fixed remuneration	Performance-linked remuneration	Compensation based on the board incentive plan (BIP) (performance-linked)	
Directors (Outside Directors' portion)	305 (33)	204 (33)	73 (-)	27 (-)	13 (5)
Statutory Auditors (Outside Statutory Auditors' portion)	54 (32)	54 (32)	- (-)	- (-)	5 (4)

- Notes: 1. The amounts paid to Directors do not include employee salaries payable to Directors who concurrently serve as employees.
2. The number of persons includes four Directors and one Statutory Auditor (including two Outside Directors and one Outside Statutory Auditor) who retired on June 27, 2024.
3. The total amount of remuneration related to the BIP trust is the amount recorded as expenses associated with share delivery points awarded during the fiscal year under review.

(2) Executive Remuneration Basic Policy

The Company's Executive Remuneration Basic Policy is as follows.

- 1) Contribute to the realization of the purpose and vision of the Morinaga Group.
- 2) Promote the realization of medium- to long-term business plans in order to enhance corporate value into the future.
- 3) Establish a system and standards that support appropriate risk-taking by Directors and strengthen their motivation to contribute.
- 4) Ensure that the system is transparent, fair, and rational for stakeholders, and is determined through an appropriate process to ensure this.

(3) Content of Executive Remuneration System

1) Composition and content of remuneration, etc.

a. Executive Directors

Compensation consists of fixed remuneration and performance-linked remuneration. If the achievement of performance indicators is 100%, the proportion of performance-linked remuneration to total remuneration will be 30%.

- (i) Fixed remuneration: a fixed amount is paid monthly in cash
- (ii) Performance-linked remuneration: If the achievement of performance indicators is 100%, an amount equivalent to two-thirds of the 30% of the total amount of remuneration that is performance-linked will be paid as a fixed amount monthly in cash, and the amount equivalent to one-third will be paid as stock compensation at the time of retirement of the Executive Director (excluding non-residents of Japan).

The composition and content of remuneration for Executive Directors in the pre-amendment policy is as follows:

- (i) Basic compensation: Consists of fixed remuneration (equivalent to 70%) and performance-linked remuneration (equivalent to 30%), and a fixed amount is paid monthly in cash. Furthermore, 10% of basic compensation will be paid as "(iii) stock compensation (non-

- monetary remuneration).”
- (ii) Executive bonuses: Paid in a lump sum in cash in July following the resolution by the General Meeting of Shareholders
 - (iii) Stock compensation (non-monetary compensation): Paid at the time of retirement of Executive Directors (excluding non-residents of Japan)

b. Outside Directors

In light of their role, compensation is fixed remuneration only, and a fixed amount is paid in cash on a monthly basis.

2) Policy on determination of compensation

A standard amount is determined for each job title according to responsibilities. The standard amount is set at a level that ensures market competitiveness and strengthens the motivation of each Director to make a contribution.

3) Matters concerning performance-linked remuneration

For Representative Directors, the indicators for performance-linked remuneration are the Group’s consolidated operating income for the monetary remuneration portion, and the medium- to long-term ESG numerical targets (the rate of positive responses to the Group’s employee awareness survey and the ESG score results from an external evaluation agency) for the stock compensation (non-monetary remuneration) portion. For Executive Directors other than Representative Directors, the indicators for performance-linked remuneration are 50% each of the Group’s consolidated operating income for each fiscal year and individuals’ performance evaluations for the monetary remuneration portion, and the medium- to long-term ESG numerical targets (the rate of positive responses to the Group’s employee awareness survey and the ESG score results from an external evaluation agency) for the stock compensation (non-monetary remuneration) portion.

In the pre-amendment policy, indicators for performance-linked remuneration for the President were “for the Group’s consolidated operating income and ROE,” and for Executive Directors other than the President, are as follows: “15% of the 30% performance-linked remuneration included in basic compensation is based on the Group’s consolidated operating income and ROE, and the remaining 15% is based on individuals’ performance evaluations, including contributions to ESG initiatives.”

The target figure and the actual figure of the performance indicators used for calculation of the amount of performance-linked remuneration for the fiscal year ended March 31, 2025 and the reason for selecting these performance indicators are as follows.

Performance indicators selected	Target	Actual	Reason for selection
Consolidated operating income	¥17.3 billion	¥20.2 billion	In order to enhance awareness about an improvement of performance for each fiscal year
ROE	9.9%	11.8%	In order to enhance awareness about an improvement of performance for each fiscal year

4) Content of non-monetary remuneration

As non-monetary remuneration, Executive Directors are provided stock compensation that uses medium- to long-term ESG numerical targets as the performance indicators for the performance-linked remuneration portion for the purpose of motivating them to make contributions to an improvement of medium- to long-term performance and corporate value, and sharing profit awareness with shareholders.

Based on the performance-linked stock compensation plan approved at the 170th Annual General Meeting of Shareholders, Executive Directors receive points as stock compensation equivalent to one-third of the 30% of total remuneration, which represents performance-linked remuneration portion, if they achieve 100% of the performance indicators each year, and receive Company shares, etc. through the BIP trust, in proportion to the points accumulated, when they retire.

Under the pre-amendment policy, as non-monetary remuneration, Executive Directors are

provided stock compensation equivalent to 10% of the amount of basic compensation.

(4) Matters concerning Resolution by the General Meeting of Shareholders about Remuneration for Directors and Statutory Auditors

At the 175th Annual General Meeting of Shareholders held on June 29, 2023, a resolution was adopted to amend the maximum amount of remuneration for Directors of ¥500 million per annum (including the maximum ¥40 million per annum for Outside Directors) to the maximum amount of ¥500 million per annum for Directors (including a maximum of ¥80 million for Outside Directors). Director remuneration does not include the employee salaries of Directors who concurrently serve as employees. The number of Directors at the conclusion of the said Annual General Meeting of Shareholders was 11 (including 4 Outside Directors).

Moreover, separately from the said monetary remuneration, at the 170th Annual General Meeting of Shareholders held on June 28, 2018, the introduction of a performance-linked stock compensation plan using a trust for Directors (excluding Outside Directors and non-residents of Japan) was approved. The maximum amount of cash to be contributed by the Company to the trust for each target period covering three fiscal years was resolved to be ¥180 million in total, and the maximum number of points to be awarded as stock compensation was resolved to be 15,000 points for one fiscal year. Taking into consideration the stock split of common stock effective January 1, 2024, the number of shares to be granted and delivered per point has been adjusted. The number of Directors (excluding Outside Directors and non-residents of Japan) at the conclusion of the said Annual General Meeting of Shareholders was 8.

The maximum amount of remuneration for Statutory Auditors was resolved at the 169th Annual General Meeting of Shareholders held on June 29, 2017 to be ¥80 million per annum. The number of Statutory Auditors at the conclusion of the said Annual General Meeting of Shareholders was 4.

(5) Policy on Determination of Remuneration for Individual Directors

1) Method of determination of the policy on determination of remuneration for individual Directors

As stated above, the policy on determination of remuneration for individual Directors was resolved at the meeting of the Board of Directors held on February 10, 2021, and partial amendments were subsequently made at meetings of the Board of Directors held on March 23, 2023 and February 8, 2024. All resolutions of the Board of Directors take into account recommendations by the Officer Appointment and Remuneration Advisory Committee.

2) Summary of the Determination Policy

a. Level of remuneration for Directors

The level of remuneration is verified by the Officer Appointment and Remuneration Advisory Committee based on the Company's financial performance, taking into consideration the remuneration level, etc. of peer companies or those of similar size as the Group.

b. Amount of remuneration for individual Directors

The Officer Appointment and Remuneration Advisory Committee determines the amount of remuneration for individual Directors after discussing the draft on individual amounts of remuneration, including performance evaluations, prepared by the President, and reports the determination process to the Board of Directors.

3) Reasons that the Board of Directors judged that the content of remuneration for individual Directors for the fiscal year under review is in accordance with the Determination Policy

The content of remuneration for individual Directors for the fiscal year under review was determined after the Officer Appointment and Remuneration Advisory Committee carefully examined the draft on the amounts of individual remuneration, including performance evaluations, prepared by the President from multifaceted perspectives, including its consistency with the determination policy. The Board of Directors has received reports on the determination process, and judges that the content of remuneration for individual Directors is in accordance with the Determination Policy.

(6) Matters concerning delegation of authority concerning determination of remuneration for individual Directors

At a meeting of the Board of Directors, it was resolved to delegate to the Officer Appointment and Remuneration Advisory Committee, which consists of the Company's all Outside Directors and the President, the authority to determine details of remuneration for individual Directors. The reason for the delegation is to ensure objectivity and fairness in determining the amount of remuneration for individual Directors. The Officer Appointment and Remuneration Advisory Committee makes its determination after deliberating the proposal on the amount of remuneration for individual Directors prepared by the President, including performance evaluations, and reports the determination process to the Board of Directors.

Regarding stock compensation, which is non-monetary compensation, its maximum amount is the amount resolved at the General Meeting of Shareholders, separately from monetary remuneration. The Company awards a certain number of points to Directors (excluding Outside Directors and non-residents of Japan) in accordance with the provision of the "Share Delivery Rules" following consultation with the Officer Appointment and Remuneration Advisory Committee and receiving its recommendations.

The composition of the Officer Appointment and Remuneration Advisory Committee at the time of determining remuneration for individual Directors in the fiscal year under review is as follows:

- Naomi Eto (Outside Director)
- Shuichi Hoshi (Outside Director)
- Kuniko Urano (Outside Director)
- Shinji Sakaki (Outside Director)
- Eijiro Ota (Representative Director, President, Responsible for Audit Division)

5. Outside Officers

(1) Significant concurrent positions and relationships with the Company

As stated in “1. Directors and Statutory Auditors” above.

(2) Outside Directors

Name	Attendance at Board of Directors Meetings	Attendance at Officer Appointment and Remuneration Advisory Committee Meetings	Principal activities and role
Kuniko Urano	15/15	6/6	Utilizing her business experience as an executive mainly in the machine industry, Ms. Urano stated necessary and useful opinions for deliberation on proposals from a broad perspective that extends beyond the Company's industry. Moreover, as a member of the Officer Appointment and Remuneration Advisory Committee, she attended meetings of the committee, and fulfilled an important role in deliberation on nomination of Directors and other officers and making recommendations to the Board of Directors, and in determining the specific content of remuneration for individual Directors.
Shinji Sakaki	15/15	6/6	Utilizing his wealth of experience as an executive mainly in the retail industry and the real estate industry, Mr. Sakaki stated necessary and useful opinions for deliberation on proposals from a broad perspective that extends beyond the Company's industry. Moreover, as a member of the Officer Appointment and Remuneration Advisory Committee, he attended meetings of the committee, serving as Chairperson of said Committee since January 2024, and fulfilled an important role in deliberation on nomination of Directors and other officers and making recommendations to the Board of Directors, and in determining the specific content of remuneration for individual Directors.
Tamaki Sawamura	11/11 following assumption of office	4/4 following assumption of office	Utilizing her wealth of experience as an Executive Officer and Advisor mainly in the insurance industry and the service industry, Ms. Sawamura stated necessary and useful opinions for deliberation on proposals from a broad perspective that extends beyond the Company's industry. Moreover, as a member of the Officer Appointment and Remuneration Advisory Committee, she attended meetings of the committee and fulfilled an important role in deliberation on nomination of Directors and other officers and making recommendations to the Board of Directors, and in determining the specific content of remuneration for individual Directors.

(3) Outside Statutory Auditors

Name	Attendance at Board of Directors Meetings	Attendance at Board of Statutory Auditors Meetings	Principal activities
Takehiko Sasamori	15/15	16/16	Utilizing his wealth of management experience in the food industry and the manufacturing industry, his high level of expertise as a Certified Public Accountant in the State of Delaware, United State, and in-depth knowledge of finance and accounting, Mr. Sasamori stated necessary and useful opinions for deliberation on proposals from a broad perspective.
Sawako Ueno	15/15	16/16	Utilizing her highly specialized knowledge and extensive experience as a certified public accountant, her business experience at the Financial Services Agency, and in-depth knowledge of finance and accounting, Ms. Ueno stated necessary and useful opinions for deliberation on proposals from a broad perspective.
Hideo Kishi	11/11 following assumption of office	12/12 following assumption of office	Utilizing his highly specialized knowledge and extensive experience as a judge and university professor, Mr. Kishi stated necessary and useful opinions for deliberation on proposals from a broad perspective.

VI. Corporate Governance Basic Policy

1. Basic Policy

The Morinaga Group will enhance its corporate governance with the aim of maximizing corporate value and achieving enduring corporate growth based on the basic policies of improving the soundness and efficiency of management, ensuring the reliability of its financial position, providing timely and appropriate disclosure of information, complying with laws and regulations, and strengthening the trust and relationships with all stakeholders.

(1) Positioning of Stakeholders

To enable us to fulfill our social responsibility in all areas of our business activities, we are committed to maintaining and further developing strong relationships with all stakeholders, who sustain our company, and achieving coexistence with society and sustainable growth in accordance with corporate principles and the code of conduct.

(2) Management Monitoring Functions

We are committed to building an effective internal control system by strengthening the management monitoring functions of the Board of Directors, appointing Outside Directors and Outside Statutory Auditors, requiring attendance by Standing Statutory Auditors at important meetings, and placing the Audit Division under the direct control of the President.

(3) Consistent Approach throughout the Group

While respecting the independence of our subsidiaries, we endeavor to maintain close ties amongst the Group's member companies.

2. Corporate Governance System

(as of March 31, 2025)

