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Securities Code 2201

June 5, 2024

Commencement of Electronic Provision: May 29, 2024

**To Shareholders with Voting Rights:**

Eijiro Ota  
Representative Director, President  
MORINAGA & CO., LTD  
1-13-16 Shibaura, Minato-ku, Tokyo

**NOTICE OF CONVOCATION OF  
THE 176TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We are pleased to inform you that the 176th 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 176th 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 Wednesday, June 26, 2024.

**1. Date and Time:** Thursday, June 27, 2024, 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 176th Fiscal Year (April 1, 2023 - March 31, 2024) 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 176th Fiscal Year (April 1, 2023 - March 31, 2024)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Election of 9 Directors  
**Proposal 3:** Election of 1 Statutory Auditors

# 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 ¥55 per share, an increase of ¥5 compared to the per share dividends for the previous fiscal year [¥50] following the stock split conducted with an effective day of January 1, 2024.

1. Type of dividend property  
Cash
2. Matters concerning the allotment of dividend property to shareholders and the total amount thereof  
¥55 per share of common stock of the Company  
Total amount: ¥4,987,259,970
3. Effective date of distribution of surplus  
June 28, 2024

**Proposal 2:** Election of 9 Directors

The terms of office of all 11 Directors will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the election of 9 Directors is proposed. 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	<u>Reappointment</u> Eijiro Ota	Representative Director, President	100% (15/15)	100% (6/6)
2	<u>Reappointment</u> Shinya Mori	Director, Managing Executive Officer	100% (15/15)	—
3	<u>Reappointment</u> Daisuke Fujii	Director, Managing Executive Officer	100% (15/15)	—
4	<u>Reappointment</u> Hideki Matsunaga	Director, Senior Executive Officer	100% (15/15)	—
5	<u>Reappointment</u> Tetsuya Takagi	Director, Senior Executive Officer	100% (15/15)	—
6	<u>New appointment</u> Kenji Takanami	Senior Executive Officer	—	—
7	<u>Reappointment</u> Kuniko Urano	<u>Outside Director Independent Officer</u> Director	100% (15/15)	100% (6/6)
8	<u>Reappointment</u> Shinji Sakaki	<u>Outside Director Independent Officer</u> Director	100% (15/15)	100% (6/6)
9	<u>New appointment</u> Tamaki Sawamura	<u>Outside Director Independent Officer</u> —	—	—

Reappointment : Candidate for Director who is reappointed

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). There are no special interests between any of the other candidates for Directors and the Company.
2. If Ms. Kuniko Urano, and Mr. Shinji Sakaki, the candidates for Directors, are reelected as Director, the Company plans to continue to register them with the Tokyo Stock Exchange as Independent Officers. If Ms. Tamaki Sawamura, the candidate for Director, is elected as Director, the Company plans to register her 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 Ms. Kuniko Urano and Mr. Shinji Sakaki, 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 Ms. Tamaki Sawamura, the candidate for Director, is elected as Director, 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 her to limit her 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. Kenji Takanami and Ms. Tamaki Sawamura, 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	<p style="text-align: center;"><b>Eijiro Ota</b> (June 30, 1959)</p> <p style="text-align: center;"><u>Reappointment</u></p> <p>Number of shares of the Company held [of which, to be issued as stock compensation]: 43,086 [20,186]</p> <p>Attendance at Board of Directors Meetings: 100% (15/15)</p> <p>Term of office as Director: 13 years</p>	<p>Apr. 1982 Joined the Company</p> <p>Jun. 2011 Assumed the office of Director Commissioned General Manager of Frozen Dessert Business Headquarters</p> <p>Apr. 2014 Commissioned General Manager of Sales Headquarters</p> <p>Jun. 2014 Assumed the office of Director, Senior Executive Officer</p> <p>Jun. 2015 Assumed the office of Director, Managing Executive Officer</p> <p>Jun. 2017 Assumed the office of Director, Senior Managing Executive Officer</p> <p>Jun. 2019 Assumed the office of Representative Director, President (current position)</p> <p>Jun. 2020 Assumed the office of President of the Morinaga Angel Foundation (current position)</p> <p>Jun. 2021 Assumed the office of Chairman of ALL NIPPON KASHI ASSOCIATION (current position)</p> <p>Jun. 2024 Scheduled to assume the office of Chairman of Japan Foods &amp; Biotechnology Intellectual Property Rights Center</p> <p>[Responsibilities] Audit Division</p> <p>Significant concurrent positions</p> <p>President of the Morinaga Angel Foundation Chairman of ALL NIPPON KASHI ASSOCIATION Chairman of Japan Foods &amp; Biotechnology Intellectual Property Rights Center (scheduled)</p> <p>Reason for nomination as a candidate for Director</p> <p>Mr. Eijiro Ota served in a managerial position at the sales division and the marketing division of the Company. Since June 2011, he has been involved in the Company's management as Director of the Company. Since June 2019, he has been exercising strong leadership in an effort to improve corporate value of the Group as Representative Director, President of the Company. 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.</p>
2	<p style="text-align: center;"><b>Shinya Mori</b> (March 14, 1962)</p> <p style="text-align: center;"><u>Reappointment</u></p> <p>Number of shares of the Company held [of which, to be issued as stock compensation]: 12,100 [7,100]</p> <p>Attendance at Board of Directors Meetings: 100% (15/15)</p> <p>Term of office as Director: 5 years</p>	<p>Apr. 1984 Joined the Company</p> <p>Jun. 2013 General Manager of Health Care Business Division</p> <p>Apr. 2016 Executive Officer, General Manager of Health Business Headquarters</p> <p>Apr. 2018 Executive Officer, Deputy General Manager of R&amp;D Center</p> <p>Jan. 2019 Executive Officer, General Manager of R&amp;D Center</p> <p>Jun. 2019 Assumed the office of Director, Senior Executive Officer Commissioned General Manager of R&amp;D Center</p> <p>Jun. 2023 Assumed the office of Director, Managing Executive Officer (current position)</p> <p>[Responsibilities] R&amp;D Center, Quality Assurance Division, Customer Service Center, Intellectual Property Strategy Division</p> <p>Reason for nomination as a candidate for Director</p> <p>Mr. Shinya Mori has experience primarily in the health business division and R&amp;D division of the Company. While serving in a managerial position in the R&amp;D division 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.</p>

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
3	<p><b>Daisuke Fujii</b> (October 18, 1964)</p> <p><u>Reappointment</u></p> <p>Number of shares of the Company held [of which, to be issued as stock compensation]: 10,040 [7,140]</p> <p>Attendance at Board of Directors Meetings: 100% (15/15)</p> <p>Term of office as Director: 5 years</p>	<p>Apr. 1987 Joined the Company</p> <p>Apr. 2018 General Manager of General Affairs Division</p> <p>Apr. 2019 Executive Officer, General Manager of General Affairs Division</p> <p>Jun. 2019 Assumed the office of Director, Senior Executive Officer</p> <p>Aug. 2019 Commissioned General Manager of Corporate Strategy Division</p> <p>Jul. 2022 Commissioned General Manager of General Affairs Division</p> <p>Sep. 2022 Commissioned General Manager of Strategic Investment Division</p> <p>Jun. 2023 Assumed the office of Director, Managing Executive Officer (current position)</p> <p>[Responsibilities] Corporate Strategy Division, General Affairs Division, Strategic Investment Division, DX Promotion Division</p> <hr/> <p>Reason for nomination as a candidate for Director</p> <p>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.</p>
4	<p><b>Hideki Matsunaga</b> (February 16, 1967)</p> <p><u>Reappointment</u></p> <p>Number of shares of the Company held [of which, to be issued as stock compensation]: 14,632 [3,032]</p> <p>Attendance at Board of Directors Meetings: 100% (15/15)</p> <p>Term of office as Director: 2 years</p>	<p>Apr. 1990 Joined the Company</p> <p>Oct. 2010 General Manager of Area Sales Department, Confectionery and Foodstuff Sales Division</p> <p>Apr. 2014 General Manager of Sales Strategy Division, Sales Headquarters</p> <p>Apr. 2018 Executive Officer, General Manager of Sales Strategy Division, Sales Headquarters</p> <p>Apr. 2019 Executive Officer, General Manager of Confectionery and Foodstuff Sales Division, Sales Headquarters</p> <p>Oct. 2019 Executive Officer, General Manager of Sales Headquarters</p> <p>Apr. 2021 Senior Executive Officer, General Manager of Sales Headquarters</p> <p>Apr. 2022 Senior Executive Officer, Head of Marketing Headquarters</p> <p>Jun. 2022 Assumed the office of Director, Senior Executive Officer (current position) Commissioned Head of Marketing Headquarters</p> <p>[Responsibilities] Sales Headquarters, Logistics Division</p> <hr/> <p>Reason for nomination as a candidate for Director</p> <p>Mr. Hideki Matsunaga has served in a managerial position in the sales division and the marketing division of the Company, and has been involved in the Company's management as Director from 2022. 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.</p>

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
5	<p style="text-align: center;"><b>Tetsuya Takagi</b> (August 16, 1963)</p> <p style="text-align: center;"><u>Reappointment</u></p> <p>Number of shares of the Company held [of which, to be issued as stock compensation]: 4,252 [3,052]</p> <p>Attendance at Board of Directors Meetings: 100% (15/15)</p> <p>Term of office as Director: 2 years</p>	<p>Apr. 1986 Joined Fuji Xerox Co., Ltd. (currently FUJIFILM Business Innovation Corp.)</p> <p>Jul. 2015 Executive Officer, General Manager of Corporate Planning Division of Fuji Xerox Co., Ltd.</p> <p>Jul. 2017 Executive Counselor of Fuji Xerox Co., Ltd.</p> <p>Apr. 2018 Managing Executive Officer, responsible (deputy) for Corporate Planning Division of UNIZO Holdings Company, Limited</p> <p>Jul. 2019 Chief Financial Officer, Executive Officer, Director of Administration Division of Twinbird Corporation (currently Twinbird Co., Ltd.)</p> <p>Nov. 2021 Joined the Company</p> <p>Apr. 2022 Senior Executive Officer</p> <p>Jun. 2022 Assumed the office of Director, Senior Executive Officer (current position) Representative Director, President of Morinaga Finance Co., Ltd. (current position)</p> <p>[Responsibilities] Accounting Division, Corporate Communications Division</p> <hr/> <p>Significant concurrent positions Representative Director, President of Morinaga Finance Co., Ltd.</p> <hr/> <p>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 &amp; 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.</p>
6	<p style="text-align: center;"><b>Kenji Takanami</b> (March 6, 1972)</p> <p style="text-align: center;"><u>New appointment</u></p> <p>Number of shares of the Company held: 500</p>	<p>Apr. 1994 Joined the Company</p> <p>Apr. 2016 General Manager of Confectionery and Foodstuffs Marketing Division, Marketing Headquarters</p> <p>Apr. 2017 General Manager of Frozen Desserts Marketing Division, Marketing Headquarters</p> <p>Apr. 2021 Assumed the office of Representative Director, President of Aunt Stella Inc.</p> <p>Apr. 2024 Assumed the office of Senior Executive Officer of the Company (current position)</p> <p>[Responsibilities] Marketing Headquarters, Sustainability Management Promotion Division, Direct Marketing Division</p> <hr/> <p>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 has been involved in the Company's management as Representative Director of a Group company. 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 election as Director.</p>

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
7	<p style="text-align: center;"><b>Kuniko Urano</b> (October 19, 1956)</p> <p style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">Reappointment</span>  <span style="border: 1px solid black; padding: 2px;">Outside Director</span>  <span style="border: 1px solid black; padding: 2px;">Independent Officer</span> </p> <p>Number of shares of the Company held: 0</p> <p>Attendance at Board of Directors Meetings: 100% (15/15)</p> <p>Term of office as Director: 3 years</p>	<p>Apr. 1979 Joined Komatsu Ltd.</p> <p>Apr. 2011 Executive Officer, General Manager of Corporate Communications Department of Komatsu Ltd.</p> <p>Apr. 2014 Executive Officer, General Manager of Human Resources Department of Komatsu Ltd.</p> <p>Apr. 2016 Senior Executive Officer, General Manager of Human Resources Department of Komatsu Ltd.</p> <p>Jun. 2018 Assumed the office of Director and Senior Executive Officer of Komatsu Ltd.</p> <p>Apr. 2021 Director of Komatsu Ltd.</p> <p>Jun. 2021 Advisor of Komatsu Ltd. (current position)</p> <p>Jun. 2021 Assumed the office of Outside Director of Yokogawa Electric Corporation (current position)</p> <p>Jun. 2021 Assumed the office of Director (Outside Director) of the Company (current position)</p> <p>Jun. 2022 Assumed the office of Outside Director of NIPPON STEEL CORPORATION (current position)</p> <hr/> <p style="text-align: center;">Significant concurrent positions</p> <p>Outside Director of Yokogawa Electric Corporation Outside Director of NIPPON STEEL CORPORATION</p> <hr/> <p style="text-align: center;">Reason for nomination as a candidate for Outside Director and expected role</p> <p>Ms. Kuniko Urano has a wealth of experience as an executive in the machine 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).</p>
8	<p style="text-align: center;"><b>Shinji Sakaki</b> (January 23, 1957)</p> <p style="text-align: center;"> <span style="border: 1px solid black; padding: 2px;">Reappointment</span>  <span style="border: 1px solid black; padding: 2px;">Outside Director</span>  <span style="border: 1px solid black; padding: 2px;">Independent Officer</span> </p> <p>Number of shares of the Company held: 0</p> <p>Attendance at Board of Directors Meetings: 100% (15/15)</p> <p>Term of office as Director: 2 years</p>	<p>Apr. 1980 Joined Tokyu Land Corporation</p> <p>Apr. 2006 Managing Officer and General Manager of Corporate Planning Department of Tokyu Land Corporation</p> <p>Jun. 2007 Assumed the office of Director and Executive Managing Officer of Tokyu Hands, Inc. (currently Hands Inc.)</p> <p>Apr. 2011 Assumed the office of President &amp; CEO of Tokyu Hands, Inc.</p> <p>Jun. 2014 Assumed the office of Director of Tokyu Fudosan Holdings Corporation</p> <p>Apr. 2015 Assumed the office of President &amp; CEO of Tokyu Livable, Inc.</p> <p>Apr. 2019 Assumed the office of Chairman of Tokyu Livable, Inc.</p> <p>Apr. 2022 Advisor of Tokyu Livable, Inc. (current position)</p> <p>May 2022 Assumed the office of Outside Director (Audit and Supervisory Committee Member) of SAN-A CO., LTD. (current position)</p> <p>Jun. 2022 Assumed the office of Director (Outside Director) of the Company (current position)</p> <p>Mar. 2024 Assumed the office of Outside Director of Senshukai Co., Ltd. (current position)</p> <hr/> <p style="text-align: center;">Significant concurrent positions</p> <p>Outside Director (Audit and Supervisory Committee Member) of SAN-A CO., LTD. Outside Director of Senshukai Co., Ltd.</p> <hr/> <p style="text-align: center;">Reason for nomination as a candidate for Outside Director and expected role</p> <p>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).</p>



No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
9	<p><b>Tamaki Sawamura</b> (October 3, 1962)</p> <p><u>New appointment</u> <u>Outside Director</u> <u>Independent Officer</u></p> <p>Number of shares of the Company held: 0</p>	<p>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. (current position)  Aug. 2023 Advisor of HomeServe Japan Corporation (current position)  Jun. 2024 Scheduled to assume the office of Outside Director of Takara Standard Co., Ltd.</p>
		<p>Significant concurrent positions</p>
		<p>Outside Director of Takara Standard Co., Ltd. (scheduled)</p>
		<p>Reason for nomination as a candidate for Outside Director and expected role</p>
		<p>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 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 her election as Director (Outside Director).</p>

**Proposal 3:** Election of 1 Statutory Auditor

The terms of office of Statutory Auditor Koichi Sakaguchi will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 1 Statutory Auditor is proposed.

The Board of Statutory Auditors has given its consent to this proposal.

The candidate is as follows:

Name (Date of birth)	Career summary, positions, and significant concurrent positions
<p style="text-align: center;"><b>Hideo Kishi</b> (May 13, 1958)</p> <p style="text-align: center;"><u>New appointment</u></p> <p style="text-align: center;"><u>Outside Statutory Auditor</u></p> <p style="text-align: center;"><u>Independent Officer</u></p> <p style="text-align: center;">Number of shares of the Company held: 0</p>	<p>Apr. 1988 Appointed as a Judge</p> <p>Feb. 2019 Chief Judge of Takamatsu District Court</p> <p>Dec. 2020 Chief Judge of Nagoya District Court and Family Court</p> <p>Apr. 2022 Chief Judge of Chiba Family Court</p> <p>Apr. 2024 Professor, Tokyo Metropolitan University Law School (current position)</p>
	<p>Significant concurrent positions</p>
	<p>Professor, Tokyo Metropolitan University Law School</p>
	<p>Reason for nomination as a candidate for Outside Statutory Auditor</p> <p>Although Mr. Hideo Kishi has not been directly involved in corporate management, he has highly specialized knowledge and experience as a judge and university faculty member. The Company believes that he will provide objective and neutral audits from a broad perspective based on this knowledge and experience, and therefore requests his election as Outside Statutory Auditor.</p>

<u>New appointment</u> :	Candidate for Statutory Auditor who is newly appointed
<u>Outside Statutory Auditor</u> :	Candidate for Outside Statutory Auditor
<u>Independent Officer</u> :	Candidate for Independent Auditor as prescribed by the regulations of the Tokyo Stock Exchange

- (Notes) 1. No special interest exists between Mr. Hideo Kishi, the candidate for Statutory Auditor, and the Company.
2. If Mr. Hideo Kishi, the candidate for Statutory Auditor, is elected as Statutory Auditor, the Company plans to register him with the Tokyo Stock Exchange as an Independent Officer.
3. If Mr. Hideo Kishi, the candidate for Statutory Auditor, is elected as Statutory Auditor, 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 him to limit his 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 Statutory Auditors 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 Statutory Auditor of the Company. If Mr. Hideo Kishi, the candidate for Statutory Auditor, is elected as Statutory Auditor, he 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.

**(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 and Proposal 3 are 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, President	●	●		●	●	●	●	●
Shinya Mori Director, Managing Executive Officer	●					●		●
Daisuke Fujii Director, Managing Executive Officer	●	●	●	●	●			
Hideki Matsunaga Director, Senior Executive Officer	●					●		●
Tetsuya Takagi Director, Senior Executive Officer	●		●	●	●		●	
Kenji Takanami Director Senior Executive Officer	●	●				●		●
Kuniko Urano Director	●	●		●				●
Shinji Sakaki Director	●	●			●	●	●	
Tamaki Sawamura 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 2023 Report on “Effectiveness Evaluation of the Board of Directors”**

The Company conducted a questionnaire-based survey among all Directors and Statutory Auditors in February 2024 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 2023 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, 2024, 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) deepening discussions and initiatives on risk management including Group companies; and (ii) further enhance discussions on medium- to long-term business issues such as sustainability and medium-term business plans, it was evaluated that certain improvements have been made with regard to both items.

Accordingly, the Company will place particular emphasis in working on the following two matters as future issues:

(1) We 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 .

(2) We will further enhance discussions relating to medium- to long-term management issues, including sustainability and medium-term management plans, as future issues.

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, 2024)

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	
19	22	77	13,115	9.9

(Appendix)

# Business Report

(April 1, 2023 - March 31, 2024)

## I. Overview of the Morinaga Group

### 1. Business Progress and Results

During the fiscal year under review, the Japanese economy continued to show signs of a gradual recovery as economic activities and social life returned to normal and inbound demand recovered following the transition of COVID-19 to a Class 5 category infectious disease. On the other hand, the business environment remains uncertain, as rising domestic prices have affected consumer behavior, such as consumers becoming more conscious of the need to economize. This is compounded by concerns about ongoing sharp rises in raw material prices on the back of the prolonged unstable international situation and depreciation of the yen, as well as about the risk of economic downturn due to sustained monetary tightening in the United States.

Under these circumstances, in the final year of the 2021 Medium-Term Business Plan, the Group worked on building a new management foundation for dramatic growth toward achievement of the 2030 Business Plan, as well as strengthening its businesses to respond to various changes in the external environment.

Consequently, the Confectionery & Foodstuffs business, Frozen Desserts business and domestic operating subsidiaries in particular performed well in Japan, and the U.S. business maintained strong growth. As a result, net sales for the fiscal year under review increased by ¥18,995 million (+9.8%) year on year to ¥213,368 million, marking a record high for the third consecutive year and significantly exceeding the target of ¥190,000 million in the 2021 Medium-Term Business Plan.

In terms of profit, despite the impact of soaring raw materials prices, operating income increased to ¥20,273 million, up ¥5,038 million (+33.1%) year on year due to the growth in sales and the positive impact of price revisions. This was short of the target of ¥21,500 million in the 2021 Medium-Term Business Plan, in part due to further acceleration of investment in businesses foundations and business with a view to medium- to long-term growth, despite the headwind of the external environment. Ordinary income was ¥21,039 million, up ¥5,282 million (+33.5%) year on year, and profit attributable to owners of parent was ¥15,154 million, up ¥5,095 million (+50.6%) year on year.

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

<b><u>Food Manufacturing</u></b>	<b><u>Sales:</u></b>	<b>¥203,810 million (+9.9% YoY)</b>
	<b><u>Segment operating income:</u></b>	<b>¥19,909 million (+34.3% YoY)</b>

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

Sales for the Food Manufacturing business segment increased by 9.9% year on year to ¥203,810 million. Operating income for the segment increased by ¥5,081 million year on year to ¥19,909 million.



**Confectionery & Foodstuffs Sales:** ¥79,194 million (+6.6% YoY)  
**Segment operating income:** ¥4,048 million (+162.6 % YoY)

In the biscuit category, the *Morinaga Biscuits* brand continued to perform well as a whole, with sales increasing year on year. Since the previous fiscal year, promotion and product development have been strengthened, particularly for *MOON LIGHT*, with limited-edition packaging for existing products in collaboration with popular content, the launch of new products, and the *PREMIUM* Series of high value added products also contributing to the strong performance.

In the sugar confectionery category, sales of *HI-CHEW* were strong and increased year on year. The *HI-CHEW* brand logo was redesigned with the aim of becoming a global brand loved the world over, and promotions and products emphasizing texture continued to be enhanced. Sales of *Morinaga Ramune* increased significantly year on year due to continued strong sales of *Otsubu Ramune* in both bottle and pouch formats. This was on the back of releasing a food with functional claim and enhancing sales promotions targeted at students preparing for exams.

In the chocolate category, sales of *Carré de chocolat* decreased year on year due to the challenging competition for new products, although sales of the core products remained strong. Sales of *DARS* increased year on year largely due to successful tactical changes aimed at higher added value, with *Kaoru DARS*, *Hanjuku DARS* and other new products that target the demand for sweets contributing significantly to sales. Sales of *Chocoball* decreased year on year following a review of *Odama Chocoball* and other products targeted at adults and fewer items being sold following the discontinuation of some products, although sales of all core products remained strong.

In the foodstuffs category, sales of both *Morinaga Amazake* and *Morinaga Cocoa* declined year on year despite ongoing efforts to bolster their respective health brand images through promoting their functional health benefits.

As a result, total net sales for the Confectionery & Foodstuffs business increased ¥4,886 million (+6.6%) year on year to ¥79,194 million.

In terms of profit, segment operating income increased by ¥2,507 million (+162.6%) year on year to ¥4,048 million by overcoming soaring raw material prices with the sales growth and the positive impact of price revisions.

**Frozen Desserts Sales:** ¥45,394 million (+12.0% YoY)  
**Segment operating income:** ¥4,818 million (+39.9% YoY)

Sales of the *Jumbo Group* increased year on year thanks to strong sales of winter-only products with their striking package design as well as initiatives to capture inbound demand and ongoing efforts to promote the value of the brand, such as disseminating information based on the results of new sensibility research. Sales of *Ita Choco Ice* increased significantly year on year. Sales of core products were strong following the release of TV commercials promoting their quality unique value, and sales of *Shiroi Ita Choco Ice* (launched as an autumn/winter-only product) also contributed to the strong performance (sales of this product were temporarily suspended due to better-than-expected sales after its launch in September, but resumed in January). Sales of *The Crepe*, now in its second year of year-round sales, increased year on year on the back of TV commercials and other promotional efforts that promote its quality and characteristics as a frozen dessert and which promote eating situations, as well as efforts to expand brand contact points through regular new product launches. Sales of *ICEBOX* increased significantly year on year thanks to efforts to increase demand in autumn and winter, such as promoting the product as something to mix with alcoholic beverages and as a measure against dryness, as well as increased stocking of the product on store shelves over winter and autumn.

As a result, total net sales for the Frozen Desserts business grew ¥4,861 million (+12.0%) year on year to ¥45,394 million.

In terms of profit, segment operating income increased by ¥1,373 million (+39.9%) year on year to ¥4,818 million by overcoming soaring raw material prices with the sales growth and the positive impact of price revisions.

**“in-” Business Sales:** ¥31,579 million (+3.2% YoY)  
**Segment operating income:** ¥6,634 million (-5.5% YoY)

Sales of *in Jelly* increased year on year on the back of ongoing efforts to promote drinking situations for each target, building on the previous year’s sales which had included products supplied to local governments for COVID-19 patients. The brand as a whole was especially driven by heightened attention and a boost in sales of *Energy: Glucose Boost <Ramune flavor>* as consumption while working or while studying became more and more common. Sales of *in Bar* remained strong and were up year on year as a result of having revitalized mainstay products by improving their quality and conducting campaigns promoting eating situations. This was despite a gradual decline in the protein bar market as a consequence of an increasingly competitive environment due to the diversification of protein intake means.

As a result, total net sales for the “in-” business grew ¥977 million (+3.2%) year on year to ¥31,579 million.

In terms of profit, although profitability was improved through price revisions, segment operating income decreased by ¥386 million (-5.5%) year on year to ¥6,634 million due to soaring raw material prices and strategic investment in advertising targeting medium- to long-term growth.

<b>Direct Marketing Business</b>	<b>Sales:</b>	<b>¥10,900 million (+6.0% YoY)</b>
	<b>Segment operating income:</b>	<b>¥206 million (-68.7% YoY)</b>

Sales of *Morinaga Collagen Drink* increased year on year due to steady growth in the number of subscription customers through strategic online advertising. Sales also steadily expanded for *Morinaga Aojiru*, the second pillar candidate product in the Direct Marketing business.

As a result, total net sales for the Direct Marketing business grew ¥615 million (+6.0%) year on year to ¥10,900 million.

In terms of profit, segment operating income decreased by ¥453 million (-68.7%) year on year to ¥206 million as a result of strategic investment in advertising aimed at increasing the number of subscription customers with a view to medium- to long-term growth.

<b>Operating Subsidiaries</b>	<b>Sales:</b>	<b>¥9,777 million (+19.3% YoY)</b>
	<b>Segment operating income:</b>	<b>¥841 million (+34.5% YoY)</b>

Net sales at Aunt Stella Inc. were up year on year. At directly operated stores throughout Japan, sales of cookies by weight and gift items continued to be strong, 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 due to continued strong sales at amusement parks on the back of favorable domestic travel and an increase in the number of foreign visitors to Japan.

As a result, total net sales for operating subsidiaries grew ¥1,579 million (+19.3%) year on year to ¥9,777 million.

Segment operating income increased by ¥215 million (+34.5%) year on year to ¥841 million.

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

Confectionery & Foodstuffs Business		Frozen Desserts Business		“in-” Business	
<i>Morinaga Biscuits</i>	116	<i>Jumbo Group</i>	112	<i>in Jelly</i>	104
<i>HI-CHEW</i>	110	<i>Ita Choco Ice</i>	141	<i>in Bar</i>	103
<i>Morinaga Ramune</i>	133	<i>The Crepe</i>	113	<b>Direct Marketing Business</b>	
<i>Carré de chocolat</i>	97	<i>ICEBOX</i>	122	<i>Morinaga Collagen Drink</i>	102
<i>DARS</i>	122				
<i>Chocoball</i>	91				
<i>Morinaga Amazake</i>	99				
<i>Morinaga Cocoa</i>	97				

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

**U.S. Business**                      **Sales:**                                      **¥19,187 million (+30.9% YoY)**  
**Segment operating income:**      **¥3,240 million (+119.5% YoY)**

Sales of *HI-CHEW* increased significantly year on year. In addition to the release of new TV commercials promoting its “chewy” quality value to further increase awareness and stimulate purchasing, efforts were also made to expand the capacity lineup of strong-selling products. As progress is being made in introducing the *Chargel* gel drink to Japanese supermarket chains in the U.S., efforts were made to stimulate purchasing by creating drinking experiences such as through tasting sales. Efforts are also ongoing to promote the product to other local supermarkets and sport-related marketing channels. Brand awareness and understanding of the product are also being actively promoted by strengthening promotional activities like product sampling at sports events.

As a result, total net sales for the U.S. business rose ¥4,533 million (+30.9%) year on year to ¥19,187 million.

In terms of profit, despite soaring raw material prices and strategic investments in advertising, segment operating income increased by ¥1,764 million (+119.5%) year on year to ¥3,240 million due to sales growth and the positive impact of price revisions, as well as lower shipping costs which had soared in the previous year.

**China, Taiwan, Exports, etc.**      **Sales:**                                      **¥7,540 million (+10.8% YoY)**  
**Segment operating income:**      **¥466 million (-18.1% YoY)**

In China, while *HI-CHEW* sales continued to be brisk, import sales of Japanese products struggled. In Taiwan, sales of *HI-CHEW* and *in Jelly* were strong. Sales of *HI-CHEW* are also steadily growing in Europe, East Asia and Oceania, which is the exploration and research area.

As a result, total net sales for China, Taiwan, Exports, etc., increased ¥732 million (+10.8%) year on year to ¥7,540 million.

In terms of profit, segment operating income decreased by ¥103 million (-18.1%) year on year to ¥466 million, in part due to having made upfront investments in marketing in Europe and Oceania, which are exploration and research areas.

**Food Merchandise**                      **Sales:**                                      **¥6,909 million (+10.1%**  
**Segment operating income:**      **¥377 million (+37.6% YoY)**

**Principal business: Wholesale of foodstuffs for commercial use**

Sales for the segment increased 10.1% year on year to ¥6,909 million. Segment operating income increased by ¥103 million year on year to ¥377 million.

**Real Estate and Services**      **Sales:**                                      **¥1,911 million (-0.6% YoY)**  
**Segment operating income:**      **¥834 million (-1.5% YoY)**

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

Sales for the segment decreased 0.6% year on year to ¥1,911 million. Segment operating income decreased by ¥13 million year on year to ¥834 million.

**Other Services**                              **Sales:**                                      **¥737 million (+8.6% YoY)**  
**Segment operating income:**      **¥142 million (+37.4% YoY)**

Sales totaled ¥737 million. Segment operating income was ¥142 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.” 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 ¥14,998 million, which is mainly investment for construction of the new Head Office building, 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 173rd fiscal year ended March 31, 2021	The 174th fiscal year ended March 31, 2022	175th fiscal year ended March 31, 2023	176th fiscal year ended March 31, 2024 (Fiscal year under review)
Net sales	168,240	181,251	194,373	<b>213,368</b>
Food Manufacturing	160,231	172,750	185,491	<b>203,810</b>
Food Merchandise	5,548	5,935	6,277	<b>6,909</b>
Real Estate and Services	1,825	1,915	1,924	<b>1,911</b>
Other Services	634	649	679	<b>737</b>
Operating income	19,176	17,685	15,235	<b>20,273</b>
Operating income to net sales (%)	11.4	9.8	7.8	<b>9.5</b>
Ordinary income	19,782	18,247	15,757	<b>21,039</b>
Profit attributable to owners of parent	13,416	27,773	10,059	<b>15,154</b>
Net income per share (yen)	133.36	276.29	104.38	<b>165.60</b>
Total assets	202,910	214,300	205,226	<b>223,644</b>
Net assets	123,706	131,174	125,856	<b>132,653</b>
Net assets per share (yen)	1,220.62	1,301.97	1,322.63	<b>1,448.01</b>

- Notes: 1. In the 173rd fiscal year, a loss on sales and retirement of noncurrent assets of approx. ¥0.7 billion was recorded as an extraordinary loss.
2. In the 174th fiscal year, a gain on sales of investment securities of approx. ¥21.9 billion was recorded as an extraordinary income.
3. 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.
4. 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 gains, and an impairment loss of approximately ¥1.7 billion was recorded as an extraordinary loss.
5. The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020)", etc. from the 174th fiscal year. The trends in assets and income presented for the 173rd fiscal year are the figures after retroactive application of the said accounting standard.
6. 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 173<sup>rd</sup> fiscal year.

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

(In millions of yen, unless otherwise specified.)

Item	The 173rd fiscal year ended March 31, 2021	The 174th fiscal year ended March 31, 2022	The 175th fiscal year ended March 31, 2023	The 176th fiscal year ended March 31, 2024 (Fiscal year under review)
Net sales	147,081	155,425	161,284	<b>173,340</b>
Ordinary income	15,520	13,714	12,371	<b>11,450</b>
Net income	11,750	24,717	7,872	<b>8,410</b>
Net income per share (yen)	116.81	245.89	81.69	<b>91.91</b>
Total assets	190,298	197,405	183,712	<b>196,926</b>
Net assets	108,851	112,783	104,816	<b>102,226</b>
Net assets per share (yen)	1,082.05	1,129.24	1,112.93	<b>1,128.21</b>

- Notes: 1. In the 173rd fiscal year, a loss on sales and retirement of noncurrent assets of approx. ¥0.7 billion was recorded as an extraordinary loss.
2. In the 174th fiscal year, a gain on sales of investment securities of approx. ¥21.9 billion was recorded as an extraordinary income.
3. 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.
4. 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 gains, and an impairment loss of approximately ¥1.7 billion was recorded as an extraordinary loss.
5. The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020)”, etc. from the 174th fiscal year. The trends in assets and income presented for the 173rd fiscal year are the figures after retroactive application of the said accounting standard.
6. 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 173<sup>rd</sup> 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
Aunt Stella Inc.	100 million yen	100.0%	Manufacturing and sale of confectioneries
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, frozen desserts, and jelly drinks
Shanghai Morinaga Co., Ltd.	187 million Chinese yuan	100.0%	Sale of confectioneries and frozen desserts
Morinaga (Zhejiang) Co., Ltd.	126 million Chinese yuan	100.0%	Manufacturing and sale of confectioneries
Morinaga America, Inc.	28 million US dollars	100.0%	Sale of confectioneries and jelly drinks
Morinaga America Foods, Inc.	47 million US dollars	100.0%	Manufacturing and sale of confectioneries

### (3) Significant Business Combination, etc.

The Company has 16 consolidated subsidiaries including the 10 significant subsidiaries listed above. It also has 1 affiliated company 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	2,920	+39
Food Merchandise	48	+1
Real Estate and Services	34	-3
Other Services	91	-20
Total	3,093	+17

- 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 1,832, 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
1,504	+32	43.5 years old	19.3 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 732, 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	East Japan Branch Office	Minato-ku, Tokyo
	Hokkaido Branch Office	Sapporo-shi
	Tohoku Branch Office	Sendai-shi
	Kanto Shinetsu Branch Office	Takasaki-shi
	West Japan Branch Office	Amagasaki-shi
	Chubu Branch Office	Nagoya-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** 90,677,454 shares  
(excluding 2,037,084 shares of treasury stock)
- 3. Number of Shareholders** 38,029 persons  
(An increase of 11,435 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)	12,124	13.3
Custody Bank of Japan, Ltd. (trust account)	6,947	7.6
MORINAGA Business Partner Shareholding Association	6,512	7.1
Meiji Yasuda Life Insurance Company	2,242	2.4
MUFG Bank, Ltd.	1,704	1.8
SSBTC CLIENT OMNIBUS ACCOUNT	1,563	1.7
JP MORGAN CHASE BANK 385632	1,560	1.7
Morinaga Milk Industry Co., Ltd.	1,372	1.5
MITSUI & CO., LTD.	1,372	1.5
Mizuho Bank, Ltd.	1,278	1.4

- Notes: 1. The Company holds 2,037,084 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

- (1) As the result of a 2-for-1 stock split of common stock conducted on January 1, 2024, the total number of issued shares has increased by 46,959,769 shares.
- (2) 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' resolution on August 11, 2021, the Company decided to continue the said plan and to extend the trust period. As of March 31, 2024, the number of shares of the Company owned by the trust account for the BIP is 68,362.

**6. Status of shares granted to Company Officers as Consideration for the Execution of Duties  
During the Fiscal Year under Review**  
Not applicable

### III. Share Options

Not applicable

### IV. Company Officers

#### 1. Directors and Statutory Auditors (as of March 31, 2024)

Position	Name	Responsibilities and significant concurrent positions
Representative Director, President	Eijiro Ota	Responsible for Audit Division, Sales Headquarters President of the Morinaga Angel Foundation Chairman of ALL NIPPON KASHI ASSOCIATION
Director, Managing Executive Officer	Machiko Miyai	Responsible for Sustainable Management Promotion Division, Quality Assurance Division, Customer Service Center Chairman of Sustainability Forum Japan Outside Director of SEKISUI CHEMICAL CO., LTD.
Director, Managing Executive Officer	Shinya Mori	Responsible for R&D Center, New Business Development Division, Direct Marketing Division
Director, Managing Executive Officer	Daisuke Fujii	General Manager of Strategic Investment Division Responsible for Corporate Strategy Division, General Affairs Division, Strategic Investment Division
Director, Senior Executive Officer	Takashi Hirakue	Responsible for Logistics Division, DX Promotion Division
Director, Senior Executive Officer	Hideki Matsunaga	General Manager of Marketing Headquarters Responsible for Marketing Headquarters
Director, Senior Executive Officer	Tetsuya Takagi	Responsible for Accounting Division, Corporate Communications Division Representative Director, President of Morinaga Finance Co., Ltd.
Director	Naomi Eto	Outside Director of The Nisshin OilliO Group, Ltd. Outside Director of Nippon Yakin Kogyo Co., Ltd.
Director	Shuichi Hoshi	Director and Senior Managing Executive Officer of SBS Holdings Inc. Representative Director, Chairman, Executive Officer and CEO of SBS Fleck Co., Ltd.
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.

Position	Name	Responsibilities and significant concurrent positions
Standing Statutory Auditor	Toshiaki Fukunaga	
Standing Statutory Auditor	Takehiko Sasamori	
Statutory Auditor	Koichi Sakaguchi	Attorney at law (GINGA LAW OFFICE)
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

- Notes:
1. Directors Ms. Naomi Eto, Mr. Shuichi Hoshi, Ms. Kuniko Urano, and Mr. Shinji Sakaki 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 Mr. Koichi Sakaguchi and Ms. Sawako Ueno are Outside Statutory Auditors.  
They are Independent Officers as prescribed by the regulations of the Tokyo Stock Exchange.
  3. Standing Statutory Auditor Mr. Takehiko Sasamori and Statutory Auditor Ms. Sawako Ueno were newly elected at the 175th Annual General Meeting of Shareholders held on June 29, 2023 and assumed office.
  4. The Company has no important transactions or other relationships with other corporations at which Directors Ms. Naomi Eto, Mr. Shuichi Hoshi, Ms. Kuniko Urano, and Mr. Shinji Sakaki and Statutory Auditors Mr. Koichi Sakaguchi and Ms. Sawako Ueno 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. Standing Statutory Auditor Mr. Akiyuki Igarashi and Statutory Auditor Mr. Hiroshi Iwamoto retired from their positions at the conclusion of the 175th Annual General Meeting of Shareholders held on June 29, 2023.

Reference: Positions, names, and responsibilities of Executive Officers as of March 31, 2024 are as follows:

Position	Name	Responsibilities and significant concurrent positions
Senior Executive Officer	Masaaki Takahashi	General Manager of Human Resources Division
Senior Executive Officer	Masaki Matsumoto	General Manager of Overseas Business Headquarters
Senior Executive Officer	Shuji Watanabe	General Manager of Production Headquarters
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	Ayako Kunichika	General Manager of Procurement Division, Production Headquarters
Executive Officer	Hidehiro Saho	General Manager of Production Technology Development Division, Production Headquarters
Executive Officer	Isao Matsuzaki	General Manager of New Business Development Division
Executive Officer	Kazuo Shinagawa	General Manager of East Japan Branch Office, Sales Headquarters
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 Health Marketing Division, 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

##### (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)	290 (41)	196 (41)	66 (-)	27 (-)	11 (4)
Statutory Auditors (Outside Statutory Auditors' portion)	54 (32)	54 (32)	- (-)	- (-)	6 (5)

- 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 two Statutory Auditors (including two Outside Statutory Auditors) who retired on June 29, 2023.
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) Structure and payment timing of monetary remuneration to Directors

##### a. Executive Directors

- (i) Basic compensation (Non-monetary remuneration): Consists of fixed remuneration (equivalent to 70%) and performance-linked remuneration (equivalent to 30%), and a fixed amount is paid monthly in cash
- (ii) Executive bonuses: Paid in a lump sum in cash in July following the resolution by the General Meeting of Shareholders

##### b. Outside Directors

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

#### 2) Policy on determination of basic 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) Policy on determination of executive bonuses

Executive bonuses are monetary remuneration according to job title, responsibilities, performance, etc., and their payment is determined following the resolution by the General Meeting of Shareholders.

#### 4) Matters concerning performance-linked remuneration

The performance indicators for performance-linked remuneration for the President are “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 indicator used for calculation of the amount of performance-linked remuneration for the fiscal year ended March 31, 2024 and the reason for selecting that performance indicator are as follows.

Performance indicator selected	Target	Actual	Reason for selection
Consolidated operating income	¥16.5 billion	¥15.2 billion	In order to enhance awareness about an improvement of performance for each fiscal year
ROE	9.3%	7.9%	In order to enhance awareness about an improvement of performance for each fiscal year

#### 5) Content of non-monetary remuneration

As non-monetary remuneration, Executive Directors are provided stock compensation equivalent to 10% of the amount of basic compensation 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 equivalent to 10% of their post-performance-linked basic compensation each year, and receive Company shares, etc. through the BIP trust, in proportion to the points accumulated, when they retire.



#### **(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. 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**

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 the meeting of the Board of Directors held on March 23, 2023. All resolutions of the Board of Directors take into account recommendations by the Officer Appointment and Remuneration Committee (currently the Officer Appointment and Remuneration Advisory Committee).

##### **2) Summary of the Determination Policy**

###### **a. Amount of remuneration for individual Directors**

- (i) The level of basic compensation 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.
- (ii) The Officer Appointment and Remuneration Advisory Committee determines individual amounts of remuneration 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.

###### **b. Executive bonuses**

- (i) Following consultation with the Board of Directors, the Officer Appointment and Remuneration Advisory Committee deliberates on whether it is appropriate to submit the payment of executive bonuses to the Annual General Meeting of Shareholders. If deemed appropriate, the Committee recommends it to the Board of Directors together with the proposed payment amount, and the Board of Directors makes a decision.
- (ii) Payment is subject to approval of the total amount by the General Meeting of Shareholders.

##### **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 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 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, Sales Headquarters)

## 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
Naomi Eto	15/15	6/6	Utilizing her business experience accumulated mainly in the manufacturing industry and her abundant experience as an executive in the retail industry, Ms. Eto 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 all meetings of the committee. She served as the chairperson of the Officer Appointment and Remuneration Advisory Committee until June 2023, and fulfilled an important role in deliberation on nomination of Directors and other officers and their remuneration and making recommendations to the Board of Directors.
Shuichi Hoshi	13/15	6/6	Utilizing his wealth of experience as an executive mainly in the wholesale industry, Mr. Hoshi 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 from June 2023 until January 2024, and fulfilled an important role in deliberation on nomination of Directors and other officers and their remuneration and making recommendations to the Board of Directors.
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 their remuneration and making recommendations to the Board of 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 their remuneration and making recommendations to the Board of Directors.

### (3) Outside Statutory Auditors

Name	Attendance at Board of Directors Meetings	Attendance at Board of Statutory Auditors Meetings	Principal activities
Takehiko Sasamori	11/11 following assumption of office	12/12 following assumption of office	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.
Koichi Sakaguchi	15/15	15/16	Utilizing his high level of expertise and wealth of experience mainly as a judge and attorney, Mr. Sakaguchi stated necessary and useful opinions for deliberation on proposals from a broad perspective.
Sawako Ueno	11/11 following assumption of office	12/12 following assumption of office	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.

## **V. 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, 2024)

 Internal  Outside

