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Notice Regarding Acquisition of a Fixed Asset (Construction of U.S. Second Factory)

Morinaga & Co., Ltd. (the “Company”) hereby announces that our Board of Directors has resolved, at a meeting held today, to acquire a fixed asset (construction of a new factory) as follows.

1. Reason for acquisition

The Morinaga Group is advancing the 2030 Business Plan, a long-term business plan toward 2030, in order to achieve medium- to long-term growth and enhance its corporate value while contributing to the realization a sustainable society under its corporate philosophy. In the 2024 Medium-Term Business Plan (FY2024 to FY2026), which was announced in May this year, the Company established the key message “Establishing a trajectory for dramatic growth,” positioning the medium-term plan as the second stage for reinforcing a path for the achievement of the 2030 Business Plan. At the same time, the Company also raised its overseas sales target for 2030 substantially in light of the significant growth in the U.S. business during the period of the 2021 Medium-Term Business Plan (FY2021 to FY2023). To accelerate its global strategy centered on *HI-CHEW*, especially in the U.S., the Company will concentrate its management resources.

In the U.S., due to a variety of sales initiatives and measures to increase brand recognition, *HI-CHEW* has been growing significantly since FY2018 with a year-on-year growth of over 20% each year, and the net sales of the U.S. business in FY2023 reached the approximately 19-billion-yen level. While the non-chocolate candy market in the U.S. is forecasted to continue growing, the Company aims to achieve growth for *HI-CHEW* that outpaces the market. The resolution this time was passed as the Company determined that stable provision of products through the expansion of its production sites would be necessary to further advance sales efforts, marketing activities, and development of attractive products.

Morinaga America Foods, Inc. began its operation in 2015 and plays a role as the production site of *HI-CHEW* in the U.S. By constructing the second factory of Morinaga America Foods on its premises and establishing a new manufacturing line for *HI-CHEW*, the Company will strengthen its supply system and increase production efficiency.

2. Details of acquisition

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|-----------------------|---|
| (1) Location | Mebane, Orange County, North Carolina, U.S. |
| (2) Scale of factory | Reinforced steel construction, a total floor area of 12,322 m ² |
| (3) Investment amount | Approximately 136 million U.S. dollars (building, manufacturing facilities, etc.)
(approximately 19.6 billion yen) |
| (4) Financing plan | Own funds |

3. Acquisition schedule

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|---------------------------|------------------------|
| (1) Start of construction | October 2024 (planned) |
| (2) Completion | June 2026 (planned) |
| (3) Start of operation | January 2027 (planned) |

4. Future outlook

The acquisition of the relevant fixed assets is expected to have a negligible impact on the Company’s business results for the current fiscal year. Going forward, any matters arising that require disclosure will be disclosed promptly.