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Securities Code 2201

June 6, 2023

Commencement of Electronic Provision: May 31, 2023

**To Shareholders with Voting Rights:**

Eijiro Ota  
Representative Director, President  
MORINAGA & CO., LTD  
5-33-1 Shiba, Minato-ku, Tokyo

**NOTICE OF CONVOCATION OF  
THE 175TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We are pleased to inform you that the 175th 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 175th 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.

When deciding whether to attend the Meeting in person, please consider the COVID-19 situation and your own health condition on the day of the Meeting. 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 28, 2023.

**1. Date and Time:** Thursday, June 29, 2023, 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 175th Fiscal Year (April 1, 2022 - March 31, 2023) 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 175th Fiscal Year (April 1, 2022 - March 31, 2023)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Election of 11 Directors  
**Proposal 3:** Election of 2 Statutory Auditors  
**Proposal 4:** Revision of Amount of Remuneration to Directors

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### **Proposal 1:** Appropriation of Surplus

As a result of careful consideration of factors such as business results for the fiscal year under review and future business expansion, the Company proposes year-end dividends for the fiscal year under review of ¥100 per share, an increase of ¥10 compared to the per share dividends for the previous fiscal year.

1. Type of dividend property  
Cash
2. Matters concerning the allotment of dividend property to shareholders and the total amount thereof  
¥100 per share of common stock of the Company  
Total amount: ¥4,712,450,600
3. Effective date of distribution of surplus  
June 30, 2023

**Proposal 2:** Election of 11 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 11 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% (3/3)
2	<u>Reappointment</u> Machiko Miyai	Director, Managing Operating Officer	100% (15/15)	–
3	<u>Reappointment</u> Takashi Hirakue	Director, Senior Operating Officer	100% (15/15)	–
4	<u>Reappointment</u> Shinya Mori	Director, Senior Operating Officer	100% (15/15)	–
5	<u>Reappointment</u> Daisuke Fujii	Director, Senior Operating Officer	100% (15/15)	–
6	<u>Reappointment</u> Hideki Matsunaga	Director, Senior Operating Officer	100% (11/11)	–
7	<u>Reappointment</u> Tetsuya Takagi	Director, Senior Operating Officer	100% (11/11)	–
8	<u>Reappointment</u> Naomi Eto	<u>Outside Director Independent Officer</u> Director	100% (15/15)	100% (3/3)
9	<u>Reappointment</u> Shuichi Hoshi	<u>Outside Director Independent Officer</u> Director	87% (13/15)	100% (3/3)
10	<u>Reappointment</u> Kuniko Urano	<u>Outside Director Independent Officer</u> Director	100% (15/15)	100% (3/3)
11	<u>Reappointment</u> Shinji Sakaki	<u>Outside Director Independent Officer</u> Director	100% (11/11)	100% (2/2)

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. Mr. Eijiro Ota, the candidate for Director, concurrently serves as the President of the Morinaga Angel Foundation. The Company donates investment assets to the Morinaga Angel Foundation and has other transactions with it. There are transactions related to food products between The Nisshin OilliO Group, Ltd. where Ms. Naomi Eto, the candidate for Outside Director, concurrently serves as Outside Director, and the Company, but the amount of the transactions is very small (less than 2% of the net sales of each Group). Mr. Shuichi Hoshi, the candidate for Director, executed business of ITOCHU-SHOKUHN Co., Ltd. from April 2011 to June 2016 as President and Representative Director or in other positions. Subsequently, he was Director and Advisor or Executive Advisor of ITOCHU-SHOKUHN Co., Ltd. until June 2021 but currently he has no relationships with ITOCHU-SHOKUHN Co., Ltd. There are transactions related to food products between ITOCHU-SHOKUHN Co., Ltd. and the Company, but the amount of the transactions is very small (less than 2% of the net sales of each Group). There are 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. Naomi Eto, Mr. Shuichi Hoshi, 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.
  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. Naomi Eto, Mr. Shuichi Hoshi, 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.
  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. 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]: 18,878 [7,978]</p> <p>Attendance at Board of Directors Meetings: 100% (15/15)</p> <p>Term of office as Director: 12 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 Division</p> <p>Jun. 2014 Assumed the office of Director, Senior Operating Officer</p> <p>Jun. 2015 Assumed the office of Director, Managing Operating Officer</p> <p>Jun. 2017 Assumed the office of Director, Senior Managing Operating 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>[Responsibilities] Audit Division, Sales Division</p> <hr/> <p>Significant concurrent positions</p> <p>President of the Morinaga Angel Foundation Chairman of ALL NIPPON KASHI ASSOCIATION</p> <hr/> <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>

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
2	<p style="text-align: center;"><b>Machiko Miyai</b> (September 29, 1960)</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]: 5,932 [3,832]</p> <p>Attendance at Board of Directors Meetings: 100% (15/15)</p> <p>Term of office as Director: 9 years</p>	<p>Apr. 1983 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)</p> <p>Apr. 2005 Executive Director of Matsushita Electric Industrial Co., Ltd.</p> <p>Apr. 2011 Officer, General Manager of Environment Headquarters and Power Saving Headquarters of Panasonic Corporation</p> <p>Oct. 2012 Officer, in charge of Future Life Research, R&amp;D Headquarters of Panasonic Corporation</p> <p>Apr. 2014 Advisor of Panasonic Corporation</p> <p>Jun. 2014 Assumed the office of Director (Outside Director) of the Company</p> <p>Dec. 2014 Assumed the office of Outside Director of Kato Sangyo Co. Ltd.</p> <p>May 2015 Assumed the office of Outside Director of YOSHINOYA HOLDINGS CO., LTD.</p> <p>Jun. 2018 Assumed the office of Director, Managing Operating Officer of the Company (current position) Commissioned Head of Marketing Division</p> <p>Feb. 2019 Assumed the office of Chairman of Sustainability Forum Japan (current position)</p> <p>Apr. 2022 Assumed the office of Auditor of Ochanomizu University (current position)</p> <p>Jun. 2022 Assumed the office of Outside Director of SEKISUI CHEMICAL CO., LTD. (current position)</p> <p>[Responsibilities] Sustainable Management Promotion Division, Quality Assurance Division, Customer Service Center</p> <hr/> <p>Significant concurrent positions</p> <p>Chairman of Sustainability Forum Japan Outside Director of SEKISUI CHEMICAL CO., LTD.</p> <hr/> <p>Reason for nomination as a candidate for Director</p> <p>Ms. Machiko Miyai has a wealth of experience through serving in manager roles in the electronics industry, as well as in a managerial position in the marketing division of the Company. She provided objective and neutral advice as Outside Director of the Company from 2014, and she has been involved in the Company's management as Director from 2018 onward. With a wealth of experience and broad knowledge regarding corporate management, she has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests her reelection as Director.</p>

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
3	<p><b>Takashi Hirakue</b> (November 24, 1961)</p> <p><u>Reappointment</u></p> <p>Number of shares of the Company held [of which, to be issued as stock compensation]: 12,066 [3,366]</p> <p>Attendance at Board of Directors Meetings: 100% (15/15)</p> <p>Term of office as Director: 13 years</p>	<p>Apr. 1984 Joined the Company</p> <p>Jun. 2006 Operating Officer, General Manager of Frozen Dessert Business Headquarters</p> <p>Jun. 2008 Senior Operating Officer, General Manager of Frozen Dessert Business Headquarters</p> <p>Apr. 2009 Senior Operating Officer, General Manager of Confectionery Business Headquarters</p> <p>Jun. 2010 Assumed the office of Director Commissioned General Manager of Confectionery Business Headquarters</p> <p>Jun. 2013 Commissioned General Manager of Food Business Headquarters</p> <p>Apr. 2014 Commissioned Head of Marketing Division</p> <p>Jun. 2014 Assumed the office of Director, Senior Operating Officer (current position)</p> <p>Jun. 2018 Commissioned General Manager of Production Division [Responsibilities] Logistics Department, Digital Transformation Promotion Division</p> <p><b>Reason for nomination as a candidate for Director</b></p> <p>Through experience primarily in the sales division and marketing division of the Company, Mr. Takashi Hirakue has served in a managerial position in the marketing division and production division, while being involved in the Company's management as Director from 2010 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>Shinya Mori</b> (March 14, 1962)</p> <p><u>Reappointment</u></p> <p>Number of shares of the Company held [of which, to be issued as stock compensation]: 4,772 [2,572]</p> <p>Attendance at Board of Directors Meetings: 100% (15/15)</p> <p>Term of office as Director: 4 years</p>	<p>Apr. 1984 Joined the Company</p> <p>Jun. 2013 General Manager of Health Care Business Headquarters</p> <p>Apr. 2016 Operating Officer, General Manager of Health Business Headquarters</p> <p>Apr. 2018 Operating Officer, Deputy General Manager of R&amp;D Center</p> <p>Jan. 2019 Operating Officer, General Manager of R&amp;D Center</p> <p>Jun. 2019 Assumed the office of Director, Senior Operating Officer (current position) Commissioned General Manager of R&amp;D Center</p> <p>[Responsibilities] R&amp;D Center, New Business Development Division</p> <p><b>Reason for nomination as a candidate for Director</b></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
5	<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]: 3,992 [2,592]</p> <p>Attendance at Board of Directors Meetings: 100% (15/15)</p> <p>Term of office as Director: 4 years</p>	<p>Apr. 1987 Joined the Company</p> <p>Apr. 2018 General Manager of General Affairs Division</p> <p>Apr. 2019 Operating Officer, General Manager of General Affairs Division</p> <p>Jun. 2019 Assumed the office of Director, Senior Operating Officer (current position)</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 (current position)</p> <p>[Responsibilities] Corporate Strategy Division, General Affairs Division, Strategic Investment 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>
6	<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]: 6,293 [693]</p> <p>Attendance at Board of Directors Meetings: 100% (11/11)</p> <p>Term of office as Director: 1 year</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 Division</p> <p>Apr. 2018 Operating Officer, General Manager of Sales Strategy Division, Sales Division</p> <p>Apr. 2019 Operating Officer, General Manager of Confectionery and Foodstuff Sales Division, Sales Division</p> <p>Oct. 2019 Operating Officer, General Manager of Sales Division</p> <p>Apr. 2021 Senior Operating Officer, General Manager of Sales Division</p> <p>Apr. 2022 Senior Operating Officer, Head of Marketing Division</p> <p>Jun. 2022 Assumed the office of Director, Senior Operating Officer (current position) Commissioned Head of Marketing Division (current position)</p> <p>[Responsibilities] Marketing Division, Direct Marketing 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
7	<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]: 893 [693]</p> <p>Attendance at Board of Directors Meetings: 100% (11/11)</p> <p>Term of office as Director: 1 year</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 Operating Officer</p> <p>Jun. 2022 Assumed the office of Director, Senior Operating 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>
8	<p style="text-align: center;"><b>Naomi Eto</b> (May 2, 1956)</p> <p style="text-align: center;"><u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u></p> <p>Number of shares of the Company held: 1,000</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 Bridgestone Tire Co., Ltd. (currently Bridgestone Corporation)</p> <p>Mar. 2009 Executive Officer responsible for General Affairs and Corporate Communications of Bridgestone Corporation</p> <p>Feb. 2014 Executive Officer and General Manager of Group CC Headquarters of Zensho Holdings Co., Ltd.</p> <p>Jun. 2014 Assumed the office of Director, General Manager of Group CC Headquarters of Zensho Holdings Co., Ltd.</p> <p>Jan. 2015 Director, General Manager of Group General Affairs Headquarters of Zensho Holdings Co., Ltd.</p> <p>May 2020 Director of Zensho Holdings Co., Ltd.</p> <p>Jun. 2020 Assumed the office of Director (Outside Director) of the Company (current position)</p> <p>Jun. 2022 Assumed the office of Outside Director of The Nisshin OilliO Group, Ltd. (current position)</p> <p>Jun. 2022 Assumed the office of Outside Director of Nippon Yakin Kogyo Co., Ltd. (current position)</p> <hr/> <p>Significant concurrent positions Outside Director of The Nisshin OilliO Group, Ltd. Outside Director of Nippon Yakin Kogyo Co., Ltd.</p> <hr/> <p>Reason for nomination as a candidate for Outside Director and expected role Ms. Naomi Eto has business experience accumulated in the manufacturing industry and a wealth of experience as an executive in the retail 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>

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
9	<p style="text-align: center;"><b>Shuichi Hoshi</b> (September 6, 1955)</p> <p style="text-align: center;"><u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u></p> <p>Number of shares of the Company held: 2,000</p> <p>Attendance at Board of Directors Meetings: 87% (13/15)</p> <p>Term of office as Director: 3 years</p>	<p>Apr. 1979 Joined ITOCHU Corporation</p> <p>Sep. 1998 Assumed the office of Director of Family Corporation Co., LTD. (Currently NIPPON ACCESS, INC.)</p> <p>Dec. 2002 Assumed the office of Director of Yukijirushi Access Co., Ltd. (Currently NIPPON ACCESS, INC.)</p> <p>Apr. 2010 Executive Officer of ITOCHU Corporation</p> <p>Apr. 2011 Assumed the office of Deputy President and Representative Director of ITOCHU-SHOKUHIN Co., Ltd.</p> <p>Jun. 2013 Assumed the office of President and Representative Director of ITOCHU-SHOKUHIN Co., Ltd.</p> <p>Jun. 2016 Assumed the office of Director and Advisor of ITOCHU-SHOKUHIN Co., Ltd.</p> <p>Jun. 2017 Executive Advisor of ITOCHU-SHOKUHIN Co., Ltd.</p> <p>Mar. 2019 Assumed the office of Outside Director of SBS Holdings Inc. (current position)</p> <p>Jun. 2020 Assumed the office of Director (Outside Director) of the Company (current position)</p> <p><b>Significant concurrent positions</b> Outside Director of SBS Holdings Inc.</p> <p><b>Reason for nomination as a candidate for Outside Director and expected role</b> Mr. Shuichi Hoshi has a wealth of experience as an executive in the wholesale 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>
10	<p style="text-align: center;"><b>Kuniko Urano</b> (October 19, 1956)</p> <p style="text-align: center;"><u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u></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. 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> <p><b>Significant concurrent positions</b> Outside Director of Yokogawa Electric Corporation Outside Director of NIPPON STEEL CORPORATION</p> <p><b>Reason for nomination as a candidate for Outside Director and expected role</b> 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>

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
11	<p><b>Shinji Sakaki</b> (January 23, 1957)</p> <p><u>Reappointment</u> <u>Outside Director</u> <u>Independent Officer</u></p> <p>Number of shares of the Company held: 0</p> <p>Attendance at Board of Directors Meetings: 100% (11/11)</p> <p>Term of office as Director: 1 year</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>Mar. 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>June 2022 Assumed the office of Director (Outside Director) of the Company (current position)</p>
		<p><u>Significant concurrent positions</u></p>
		<p>Outside Director (Audit and Supervisory Committee Member) of SAN-A CO., LTD.</p>
		<p><u>Reason for nomination as a candidate for Outside Director and expected role</u></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>

**Proposal 3:** Election of 2 Statutory Auditors

The terms of office of Statutory Auditors Akiyuki Igarashi and Hiroshi Iwamoto will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 2 Statutory Auditors is proposed.

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

The candidates are as follows:

No.	Name (Date of birth)	Career summary, positions, and significant concurrent positions
1	<p><b>Takehiko Sasamori</b> (August 7, 1962)</p> <p><u>New appointment</u> <u>Outside Statutory Auditor</u> <u>Independent Officer</u></p> <p>Number of shares of the Company held: 0</p>	<p>Apr. 1985 Joined Mitsubishi Corporation</p> <p>Sep. 2007 Director of PT Krama Yudha Tiga Berlian Motors (Indonesia)</p> <p>Jun. 2013 Assumed the office of Director and Corporate Officer of NIHON SHOKUHIN KAKO CO., LTD.</p> <p>Apr. 2017 General Manager of Risk Management Office of Mitsubishi Corporation</p> <p>Apr. 2018 Division General Manager of Corporate Planning Division of Toyo Tire &amp; Rubber Co., Ltd. (currently Toyo Tire Corporation)</p> <p>Jan. 2019 Corporate Officer</p> <p>Mar. 2019 Assumed the office of Director</p> <p>Reason for nomination as a candidate for Outside Statutory Auditor</p> <p>Mr. Takehiko Sasamori has a wealth of management experience in the food industry and the manufacturing industry, and has specialized knowledge as a Certified Public Accountant in the State of Delaware, U.S. The Company believes that he will provide objective and neutral audits from a broad perspective that extends beyond the Company's industry based on this knowledge and experience, and therefore requests his election as Outside Statutory Auditor.</p>
2	<p><b>Sawako Ueno</b> (August 12, 1964)</p> <p><u>New appointment</u> <u>Outside Statutory Auditor</u> <u>Independent Officer</u></p> <p>Number of shares of the Company held: 0</p>	<p>Apr. 1988 Joined Dai-Ichi Kangyo Bank (currently Mizuho Bank, Ltd.)</p> <p>Oct. 1996 Joined Showa Ota &amp; Co. (currently Ernst &amp; Young ShinNihon LLC)</p> <p>Oct. 2008 Partner, Ernst &amp; Young ShinNihon LLC.</p> <p>Sep. 2017 Joined Deloitte Touche Tohmatsu LLC Partner, Deloitte Touche Tohmatsu LLC</p> <p>Sep. 2019 Director (retired in December 2020)</p> <p>Jan. 2021 Joined the Financial Services Agency Securities and Exchange Criminal Investigator, Criminal Investigation Division, Securities and Exchange Surveillance Commission Executive Bureau of the Financial Services Agency</p> <p>Apr. 2023 Established and assumed the office of Head of Sawako Ueno Certified Public Accountant Office (current position)</p> <p>Significant concurrent positions</p> <p>Head of Sawako Ueno Certified Public Accountant Office</p> <p>Reason for nomination as a candidate for Outside Statutory Auditor</p> <p>Although Ms. Sawako Ueno has not been directly involved in corporate management, she has highly specialized knowledge and extensive experience as a certified public accountant, as well as business experience at the Financial Services Agency. The Company believes that she will provide objective and neutral audits from a broad perspective that extends beyond the Company's industry based on this knowledge and experience, and therefore requests her election as Outside Statutory Auditor,</p>

New appointment :

Candidate for Statutory Auditor who is newly appointed

Outside Statutory Auditor :

Candidate for Outside Statutory Auditor

Independent Officer :

Candidate for Independent Auditor as prescribed by the regulations of the Tokyo Stock Exchange

(Notes) 1. Mr. Takehiko Sasamori, the candidate for Statutory Auditor, executed business of NIHON SHOKUHIN KAKO CO., LTD. until March 2017 as Director but currently he has no relationships with NIHON SHOKUHIN KAKO CO., LTD. There are transactions related to food products between NIHON SHOKUHIN KAKO CO., LTD. and the Company, but the amount of the transactions is very small (less than 2% of the net sales of each Group). Ms. Sawako Ueno, the candidate for Statutory Auditor, was registered as a Director of Deloitte Touche Tohmatsu LLC, the Company's accounting auditor, until December 2020. However, she was not involved in the

Company's accounting audits while she was employed by Deloitte Touche Tohmatsu LLC, and she currently has no relationship with the audit firm. Although there are transactions related to audits between Deloitte Touche Tohmatsu LLC and the Company, the amount of the transactions is very small (less than 2% of the net sales of each Group).

2. If Mr. Takehiko Sasamori and Ms. Sawako Ueno, the candidates for Statutory Auditor, are elected as Statutory Auditors, the Company plans to register them with the Tokyo Stock Exchange as Independent Officers.
3. If Mr. Takehiko Sasamori and Ms. Sawako Ueno, the candidates for Statutory Auditor, are elected as Statutory Auditors, pursuant to the stipulations in Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation, the Company plans to enter into an agreement with them to limit their liabilities under Article 423, Paragraph 1 of the Companies Act. The amount of liability for damages under the agreement shall be limited to the amount stipulated by laws and regulations.
4. The Company has entered into a directors and officers liability insurance contract, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, under which all 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. Takehiko Sasamori and Ms. Sawako Ueno, the candidates for Statutory Auditor, are elected as Statutory Auditors, 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.

**Proposal 4:** Revision of Amount of Remuneration to Directors

The maximum total amount of remuneration to Directors was approved at the 169th Annual General Meeting of Shareholders held on June 29, 2017 to be ¥500 million annually (including ¥40 million or less annually for Outside Directors), and has not been changed to the present. Taking into consideration the increase in the number of Outside Directors in order to strengthen corporate governance, and the increased roles and responsibilities expected of Outside Directors, we propose modifying the said remuneration framework to increase the Outside Director portion of remuneration to Directors from ¥40 million or less annually to ¥80 million or less annually. The maximum total amount of remuneration to Directors (including Outside Directors) shall remain at ¥500 million annually.

The amount of remuneration to Directors shall not include the employee salaries of Directors who concurrently serve as employees, as in the past.

Currently, the number of Directors is 11 (including 4 Outside Directors). If Proposal 2: “Election of 11 Directors” is approved as originally proposed, there will be no change to the number of Directors and Outside Directors.

The basis of this proposal is to revise the maximum amount of remuneration to Outside Directors within the amount of remuneration to Directors. Details of the maximum amounts of remuneration for the purpose of determining remuneration for individual Directors in accordance with the policy on determination of remuneration for individual Directors described in “IV. Company Officers 4. Basic Policy and Structure of Executive Remuneration System (5) Policy on Determination of Remuneration for Individual Directors” of the Business Report are necessary and reasonable. In addition, the Board of Directors respects the content of the recommendations of the Officer Appointment and Remuneration Advisory Committee in making its determination, and therefore judges the proposal to be appropriate.

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

\* 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	Human resources / labor affairs	Legal affairs / compliance / risk management	Marketing / sales	Global	R&D / production / logistics
Eijiro Ota Representative Director, President	●	●		●	●	●	●	●
Machiko Miyai Director, Managing Operating Officer	●	●				●		●
Takashi Hirakue Director, Senior Operating Officer	●	●		●	●	●		●
Shinya Mori Director, Senior Operating Officer	●					●		●
Daisuke Fujii Director, Senior Operating Officer	●	●		●	●			
Hideki Matsunaga Director, Senior Operating Officer	●					●		
Tetsuya Takagi Director, Senior Operating Officer	●		●	●	●		●	
Naomi Eto Director	●	●			●			
Shuichi Hoshi Director	●					●	●	
Kuniko Urano Director	●	●		●				●
Shinji Sakaki Director	●	●			●	●	●	
Toshiaki Fukunaga Statutory Auditor	●						●	●
Koichi Sakaguchi Statutory Auditor					●	●		
Takehiko Sasamori Statutory Auditor	●	●	●	●	●		●	
Sawako Ueno Statutory Auditor			●		●		●	

## **(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 2022 Report on “Effectiveness Evaluation of the Board of Directors”**

The Company conducted a questionnaire-based survey among all Directors and Statutory Auditors from February to March, 2023 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 2022 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, 2023, 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) the further enhancement of discussions on risk management; and (ii) strengthening the functions of the Board of Directors as a monitoring Board, it was evaluated that certain improvements have been made with regard to both items.

Furthermore, the Company will place particular emphasis in working on: (1) deepening discussions and initiatives on risk management, including at Group companies; and (2) further enhancing 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, the Company quantitatively evaluates once every year whether the dividend level and trading profit, etc. for each individual stock is commensurate with the capital cost, and assesses whether such holdings are rational, by taking into account the qualitative evaluations including the holding objectives and the medium- to long-term prospect of trading relationships with the holdings companies. Based on these evaluations, it is the Company's policy to reduce holdings of cross-held shares if there is little significance in 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, 2023)

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	
20	26	77	10,007	8.0

(Appendix)

# Business Report

(April 1, 2022 - March 31, 2023)

## I. Overview of the Morinaga Group

The information categories used to break down revenue generated from contracts with customers in the Food Manufacturing segment have been changed, effective from the beginning of the fiscal year under review. Accordingly, the Food Manufacturing segment categories were changed for the comparative analyses discussed below, and the year-on-year comparisons and analyses are based on figures after the category changes were made.

### 1. Business Progress and Results

During the fiscal year under review, the Japanese economy continued to be impacted by inflation caused by soaring energy and raw materials prices, and the economic outlook remains uncertain. Domestic consumption behavior showed signs of positive change, however, as Japan approaches the post-pandemic phase with COVID-19 case numbers beginning to fall and the easing of related restrictions towards the end of the fiscal year. In Europe and the United States, the outlook remained uncertain amid concerns about slowing economic growth due to monetary tightening and inflationary pressures from soaring energy and raw materials prices.

In the foodstuffs industry surrounding the Group, amid growing needs for convenience and health due to thoroughgoing efforts on the safety and security of food, as well as lifestyle changes, it has become necessary to create even higher value-added products that grasp changes in purchasing behavior, as well as indications of such changes. This is causing the competitive environment to become increasingly intense.

In this business environment, the Morinaga Group continued to engage in business activities aimed at laying a new foundation for dramatic growth as it heads into the second fiscal year covered by its 2021 Medium-term Business Plan, the first stage in efforts to achieve the goals of the 2030 Business Plan, the Group's long-term management plan.

Consolidated net sales for the fiscal year under review came to ¥194,373 million, a year-on-year increase of ¥13,122 million (+7.2%), supported by strong growth in businesses designated as focus domains in the 2030 Business Plan.

Despite the growth in sales and the positive impact of price revisions, profits were impacted by factors such as soaring energy and raw materials prices, and strategic investment in advertising targeting medium- to long-term growth. As a result, operating income came to ¥15,235 million, down ¥2,450 million (-13.9%) year on year. Ordinary income was ¥15,757 million, down ¥2,490 million (-13.6%). Profit attributable to owners of parent was ¥10,059 million, down ¥17,714 million (-63.8%), partly due to the absence of the extraordinary income recorded in the previous fiscal year on the sale of cross shareholdings.

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

<b><u>Food Manufacturing</u></b>	<b><u>Sales:</u></b>	<b>¥185,491 million (+7.4% YoY)</b>
	<b><u>Segment operating income:</u></b>	<b>¥14,828 million (-15.0% YoY)</b>

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

Sales for the Food Manufacturing business segment increased by 7.4% year on year to ¥185,491 million. Operating income for the segment decreased by ¥2,611 million year on year to ¥14,828 million.

<b>Confectionery &amp; Foodstuffs</b>	<b>Sales:</b>	<b>¥74,308 million (+2.6% YoY)</b>
	<b>Segment operating income:</b>	<b>¥1,541 million (-52.8% YoY)</b>

Biscuit category sales were up year on year. Although *Morinaga Biscuits* sales were impacted by temporary supply constraints stemming from a halt in production to allow production line expansion work to be carried out in the first quarter, the launch of new products and aggressive promotion of *Moonlight* from the third quarter onward contributed to sales growth for existing products, as did a special initiative marking the Marie brand's 100th anniversary.

In the sugar confectionary category, sales of *HI-CHEW* remained brisk across all product formats (sticks, pouches, and packets) and were up significantly year on year due to enhanced promotions and products with appealing textures as selling points. *Morinaga Ramune* sales were supported by products targeted at students preparing for exams as well as a successful campaign promoting these products, and total net sales for the brand reached a record high.

In the chocolate category, sales of *Carré de chocolat* were down year on year, despite efforts to bolster its value as a fine-quality chocolate brand, amid sluggish market growth. *DARS* sales remained level year on year due to the launch of new products and a promotional campaign following quality enhancements. *Chocoball* sales were up year on year, with the launch of new products and a promotional campaign marking the brand's 55th anniversary contributing to sales growth.

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.

Note that, as a measure to improve profitability in response to soaring energy and raw materials prices, price revisions were implemented for each product category during the fiscal year under review.

As a result, total net sales for the Confectionery & Foodstuffs business increased ¥1,865 million (+2.6%) year on year to ¥74,308 million.

Segment operating income decreased by ¥1,722 million (-52.8%) year on year to ¥1,541 million due to the significant impact of soaring energy and raw materials prices, despite efforts to improve profitability through product price revisions.

<b>Frozen Desserts</b>	<b>Sales:</b>	<b>¥40,533 million (+0.8% YoY)</b>
	<b>Segment operating income:</b>	<b>¥3,445 million (-29.0% YoY)</b>

*Jumbo Group* sales were up year on year due to quality enhancement efforts, the release of winter-only products, and a successful campaign to promote the crisp texture of *Choco Monaka Jumbo* and *Vanilla Monaka Jumbo*, which both celebrated their 50th anniversary during the fiscal year under review. Sales of *Ita Choco Ice*, in its third year of year-round sales, were down year on year, despite efforts to boost purchase rates through promoting the products' quality and characteristics. The fiscal year under review was the first year of year-round sales for *The Crepe*. *ICEBOX* performed strongly throughout the fiscal year as the promotion of new consumption scenarios to specific target demographics helped to expand purchase rates during the peak demand period, as well as success in capturing autumn and winter demand.

Note that, as a measure to improve profitability in response to soaring energy and raw materials prices, price revisions were implemented for mainstay products during the fiscal year under review.

As a result, total net sales for the Frozen Desserts business increased ¥336 million (+0.8%) year on year to ¥40,533 million.

Segment operating income decreased by ¥1,407 million (-29.0%) year on year to ¥3,445 million due to skyrocketing prices of raw materials and energy, and higher depreciation and amortization, despite efforts to improve profitability by revising product prices.

<b>"in-" Business</b>	<b>Sales:</b>	<b>¥30,602 million (+9.2% YoY)</b>
	<b>Segment operating income:</b>	<b>¥7,020 million (+3.1% YoY)</b>

Sales of *in Jelly* have remained strong since the implementation of price revisions in December due to continued capturing of demand for drinks or snacks when working or studying, and for nourishment and health-boosting products during times of poor health, as a consequence of





### 3. 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. On December 8, 2022, the Company issued the Limited 15th unsecured straight bonds (Sustainability bond with specific inter-bond *pari passu* clause for short) with a size of ¥9.0 billion.

### 4. Issues to Be Addressed

Positioning the 2021 Medium-Term Business Plan launched in fiscal 2021 as the first stage for achieving the 2030 Business Plan, the Group is promoting business activities with the theme of “a new foundation building for dramatic growth.” Although a challenging business environment is expected to continue, such as rising raw materials prices and increasing labor costs, the Group will promote sustainability management in both financial and non-financial aspects and swiftly implement the management strategies described below with the aim of realizing sustainable growth.

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

We will concentrate our business resources on the key domain and promote initiatives to achieve dramatic growth, including the revamping of *in Jelly* and development of new products that will contribute to physical health of customers in the *in* business, increase of sales of the mail-order business centering on *Morinaga Collagen Drink*, enrichment of the *HI-CHEW* brand in the United States, and establishment of a highly profitable structure of the frozen desserts business to achieve growth.

#### (2) Enhance Earnings Power of the Core Domain

In the confectionery business and the foodstuffs business, with the aim of establishing a strong revenue base, we will work to expand sales and enhance efficiency and earnings power by focusing on the mainstay brands, such as *HI-CHEW*, *Morinaga Biscuits*, and *Morinaga Amazake*, so as to stably generate funds for investment in the key domain. We will establish a highly profitable business base by promoting development of new products that will contribute to mental health of customers and promoting sales centering on the mainstay brands and by improving product supply systems.

#### (3) Promote Structural Reform Centering on Functional Departments

While pursuing enhancement of productivity by introducing the smart factory in the manufacturing operations and optimizing the organizations of the sales operations, we will work to improve efficiency throughout the Company by utilizing digital technology to enhance earnings power.

#### (4) Establish a Robust Business Base

We will newly establish an R&D Center, which will underpin the business strategy across the Group by creating new value. Moreover, we will promote initiatives for enhancing productivity to transform business activities by utilizing digital technology. Furthermore, we will promote consideration of the next core network system for the purpose of establishing a robust business base. To counter the risk of leakage of important information due to unauthorized access, etc., we will further strengthen security measures and establish a strict information management system, etc.

#### (5) Resolve Social Issues through Food

We consider our key tasks as a food manufacturer to be not only delivery of safe, reliable products to customers but also 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.

#### (6) Promote Diversity & Inclusion

Based on the policy 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 improve frameworks, systems, and the environment.

In these endeavors, we request further support of shareholders.

## 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 172nd fiscal year ended March 31, 2020	The 173rd fiscal year ended March 31, 2021	174th fiscal year ended March 31, 2022	175th fiscal year ended March 31, 2023 (Fiscal year under review)
Net sales	208,878	168,240	181,251	<b>194,373</b>
Food Manufacturing	200,117	160,231	172,750	<b>185,491</b>
Food Merchandise	6,234	5,548	5,935	<b>6,277</b>
Real Estate and Services	1,901	1,825	1,915	<b>1,924</b>
Other Services	624	634	649	<b>679</b>
Operating income	21,230	19,176	17,685	<b>15,235</b>
Operating income to net sales (%)	10.2	11.4	9.8	<b>7.8</b>
Ordinary income	21,950	19,782	18,247	<b>15,757</b>
Profit attributable to owners of parent	10,824	13,416	27,773	<b>10,059</b>
Net income per share (yen)	215.18	266.73	552.59	<b>208.77</b>
Total assets	188,060	202,910	214,300	<b>205,226</b>
Net assets	105,487	123,706	131,174	<b>125,856</b>
Net assets per share (yen)	2,080.77	2,441.25	2,603.95	<b>2,645.25</b>

- Notes: 1. In the 172nd fiscal year, a gain on sales of noncurrent assets of approx. ¥1.7 billion was recorded as an extraordinary income and an impairment loss of approx. ¥2.5 billion and a contract cancellation fee of approx. ¥4.8 billion were recorded as extraordinary losses.
2. 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.
3. In the 174th fiscal year, a gain on sales of investment securities of approx. ¥21.9 billion was recorded as an extraordinary income.
4. 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.
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.



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

(In millions of yen, unless otherwise specified.)

Item	The 172nd fiscal year ended March 31, 2020	The 173rd fiscal year ended March 31, 2021	The 174th fiscal year ended March 31, 2022	The 175th fiscal year ended March 31, 2023 (Fiscal year under review)
Net sales	187,159	147,081	155,425	<b>161,284</b>
Ordinary income	17,777	15,520	13,714	<b>12,371</b>
Net income	9,434	11,750	24,717	<b>7,872</b>
Net income per share (yen)	187.55	233.62	491.79	<b>163.39</b>
Total assets	177,521	190,298	197,405	<b>183,712</b>
Net assets	93,887	108,851	112,783	<b>104,816</b>
Net assets per share (yen)	1,866.49	2,164.10	2,258.48	<b>2,225.85</b>

- Notes: 1. In the 172nd fiscal year, a gain on sales of noncurrent assets of approx. ¥1.7 billion and a gain on extinguishment of tie-in shares of approx. ¥1.0 billion were recorded as extraordinary income and an impairment loss of approx. ¥2.5 billion and a contract cancellation fee of approx. ¥4.8 billion were recorded as extraordinary losses.
2. 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.
3. In the 174th fiscal year, a gain on sales of investment securities of approx. ¥21.9 billion was recorded as an extraordinary income.
4. 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.
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. 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 2 affiliated companies accounted for by the equity method.

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

Not applicable

### (5) Other

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

## 7. Employees

### (1) Employees of the Morinaga Group

Segment	Number of employees	Change from the previous fiscal year-end
Food Manufacturing	2,881	+132
Food Merchandise	47	-5
Real Estate and Services	37	-2
Other Services	111	+14
Total	3,076	+139

- 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 1,673, 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
1,472	+19	43.2 years old	18.9 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 693, has been excluded from the number of employees.

## 8. Principal Business Offices and Factories

### Food Manufacturing MORINAGA & CO., LTD.

Head Office	5-33-1 Shiba, 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** 47,124,506 shares  
(excluding 1,015,263 shares of treasury stock)
- 3. Number of Shareholders** 26,594 persons  
(An increase of 2,777 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)	5,351	11.3%
MORINAGA Business Partner Shareholding Association	3,356	7.1%
Custody Bank of Japan, Ltd. (trust account)	2,078	4.4%
MUFG Bank, Ltd.	1,704	3.6%
Meiji Yasuda Life Insurance Company	1,121	2.3%
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	1,042	2.2%
STATE STREET BANK AND TRUST COMPANY 505103	952	2.0%
JP MORGAN CHASE BANK 385632	886	1.8%
SSBTC CLIENT OMNIBUS ACCOUNT	799	1.6%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	696	1.4%

- Notes: 1. The Company holds 1,015,263 shares of treasury stock but is excluded from the list of major shareholders above.
2. The ratio of voting rights is calculated excluding treasury stock.

### 5. Other Significant Matters concerning Stock

In accordance with the resolution adopted at the 170th Annual General Meeting of Shareholders held on June 28, 2018 and the Board of Directors' resolution based on it, the Company introduced a performance-linked stock compensation plan 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, 2023, the number of shares of the Company owned by the trust account for the BIP is 34,181.

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

Category	Number of recipients	Number of shares granted	Of which, number of shares converted into cash
Directors (excluding Outside Directors)	2	4,583	2,383
Outside Directors	-	-	-
Statutory Auditors	-	-	-

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

### III. Share Options

Not applicable

### IV. Company Officers

#### 1. Directors and Statutory Auditors (as of March 31, 2023)

Position	Name	Responsibilities and significant concurrent positions
Representative Director, President	Eijiro Ota	Responsible for Audit Division, Sales Division President of the Morinaga Angel Foundation Chairman of ALL NIPPON KASHI ASSOCIATION
Director, Managing Operating 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, Senior Operating Officer	Takashi Hirakue	Responsible for Logistics Department, Digital Transformation Promotion Division
Director, Senior Operating Officer	Shinya Mori	General Manager of R&D Center Responsible for R&D Center, New Business Development Division
Director, Senior Operating Officer	Daisuke Fujii	General Manager of Strategic Investment Division Responsible for Corporate Strategy Division, General Affairs Division, Strategic Investment Division
Director, Senior Operating Officer	Hideki Matsunaga	Head of Marketing Division Responsible for Marketing Division, Direct Marketing Division
Director, Senior Operating 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	Outside Director of SBS Holdings Inc.
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.

Position	Name	Responsibilities and significant concurrent positions
Standing Statutory Auditor	Akiyuki Igarashi	
Standing Statutory Auditor	Toshiaki Fukunaga	
Statutory Auditor	Koichi Sakaguchi	Attorney at law (GINGA LAW OFFICE)
Statutory Auditor	Hiroshi Iwamoto	Outside Director of MEDIPAL HOLDINGS 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. Akiyuki Igarashi and Statutory Auditors Mr. Koichi Sakaguchi and Mr. Hiroshi Iwamoto are Outside Statutory Auditors.  
They are Independent Officers as prescribed by the regulations of the Tokyo Stock Exchange.
  3. Directors Mr. Hideki Matsunaga, Mr. Tetsuya Takagi, and Mr. Shinji Sakaki, and Standing Statutory Auditor Mr. Toshiaki Fukunaga were newly elected at the 174th Annual General Meeting of Shareholders held on June 29, 2022 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 Mr. Hiroshi Iwamoto have concurrent positions.
  5. Directors Mr. Shinichi Uchiyama and Mr. Shiho Takano, and Standing Statutory Auditor Mr. Tadashi Nishimiya retired from their positions at the conclusion of the 174th Annual General Meeting of Shareholders held on June 29, 2022.



Reference: Positions, names, and responsibilities of Operating Officers as of March 31, 2023 are as follows:

Position	Name	Responsibilities and significant concurrent positions
Senior Operating Officer	Masaaki Takahashi	General Manager of Human Resources Division
Senior Operating Officer	Masaki Matsumoto	General Manager of Overseas Business Headquarters
Senior Operating Officer	Shuji Watanabe	General Manager of Production Division
Operating Officer	Tomokazu Sano	General Manager of Digital Transformation Promotion Division
Operating Officer	Keisuke Ohashi	General Manager of Overseas Strategy Department, Overseas Business Headquarters
Operating Officer	Terushi Hyodo	General Manager of Sustainable Management Promotion Division
Operating Officer	Ayako Kunichika	General Manager of Procurement Department, Production Division
Operating Officer	Hidehiro Saho	General Manager of Production Technology Development Department, Production Division
Operating Officer	Isao Matsuzaki	General Manager of New Business Development Division
Operating Officer	Kazuo Shinagawa	General Manager of East Japan Branch Office, Sales Division
Operating Officer	Jyunji Tsuchiya	General Manager of Sales Strategy Division, Sales Division
Operating Officer	Minoru Takizawa	General Manager of Sales Division

## 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, operating officers, important employees and officers assigned to organizations outside the Group are designated as the insured. The insurance premiums are fully borne by the Company.

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

## 4. Basic Policy and Structure of Executive Remuneration System

At the meeting of the Board of Directors held on February 10, 2021, the Company resolved the policy on determination of remuneration for individual Directors, and subsequently made partial amendments to the policy at the meeting of the Board of Directors held on March 23, 2023. The amendments concerned details of the Executive Remuneration Basic Policy and the determination body and determination process for specific details of remuneration for individual Directors, and no other matters were amended.

Specific details of remuneration for individual Directors for the fiscal year under review are

determined and paid based on the policy on determination of remuneration for individual Directors prior to the amendments (hereinafter referred to as the “pre-amendment policy”).

The following is based on the policy on determination of remuneration for individual Directors at the end of the fiscal year, which was partially amended by resolution of the meeting of the Board of Directors held on March 23, 2023. The amended matters refer to the pre-amendment policy to the extent necessary to explain decisions on specific details of remuneration for Directors for the fiscal year under review.

**(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)	251 (39)	169 (39)	55 (-)	25 (-)	13 (5)
Statutory Auditors (Outside Statutory Auditors' portion)	56 (34)	56 (34)	- (-)	- (-)	5 (3)

- 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 Directors (including one Outside Director) and one Statutory Auditor (including zero Statutory Auditors) who retired on June 29, 2022.
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.

The pre-amendment policy stipulated that the Company shall establish and operate a system that prioritizes the strengthening of executives' motivation for contributing to the enhancement of corporate value over the medium- to long-term and the achievement of sustainable growth, while discouraging excessive risk-taking, and further stipulated that we are determined to continue pursuing a better remuneration system, ensuring the objectivity and transparency of the remuneration determination process and taking into account regulatory revisions and social trends in the future.

### (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 above indicators clarified details of the performance indicators in the pre-amendment policy, which calculated performance-linked remuneration based on financial performance indicators, including the Group’s consolidated operating income, as well as individuals’ performance evaluation. 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, 2023 and the reason for selecting that performance indicator are as follows.

Performance indicator selected	Target	Actual	Reason for selection
Consolidated operating income	¥17.0 billion	¥17.6 billion	In order to enhance awareness about an improvement of performance for each fiscal year
ROE	8.9%	10.1%*	In order to enhance awareness about an improvement of performance for each fiscal year

\* Excludes the impact of extraordinary income associated with the sale of cross-shareholdings

#### 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 169th Annual General Meeting of Shareholders held on June 29, 2017, the maximum amount of remuneration for Directors was resolved to be ¥500 million per annum (including the maximum ¥40 million per annum for Outside Directors and excluding 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 2 Outside Directors). If Proposal 4: “Revision of Amount of Remuneration to Directors” is passed as originally proposed, the breakdown of the Directors remuneration at a maximum of ¥500 million will be revised to include a maximum of ¥80 million per annum for Outside Directors, excluding the employee salaries of Directors who concurrently serve as employees.

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**

As described in “4. Basic Policy and Structure of Executive Remuneration System,” 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.

The Officer Appointment and Remuneration Committee was renamed the “Officer Appointment and Remuneration Advisory Committee” by resolution of the meeting of the Board of Directors held on March 23, 2023. Hereinafter, the Committee shall be referred to as the “Officer Appointment and Remuneration Advisory Committee,” including for matters prior to said resolution.

##### **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.

Under the pre-amendment policy, the Board of Directors delegated to the President the authority to determine details of remuneration for individual Directors, and the President determined individual amounts of remuneration based on the content of the recommendations of the Officer Appointment and Remuneration Advisory Committee.

###### **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 based on the pre-amendment policy. However, in determining the content of remuneration for individual Directors, the Officer Appointment and Remuneration Advisory Committee examined the draft from multifaceted perspectives, in addition to its consistency with the pre-amendment policy. Since the President respects the recommendations of the Committee, in principle, the Company judges that the content of remuneration for individual Directors determined based on the pre-amendment policy is in accordance with the Determination Policy.

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

At the meeting of the Board of Directors held on March 23, 2023, it was resolved to delegate to the Officer Appointment and Remuneration Advisory Committee, which consists of all the Company's Outside Directors and the President, the authority to determine details of remuneration for individual Directors. The reason for the delegation is to ensure objectivity and fairness in determining the amount of remuneration for individual Directors. The Officer Appointment and Remuneration Advisory Committee makes its determination after deliberating the proposal on the amount of remuneration for individual Directors prepared by the President, including performance evaluations, and reports the determination process to the Board of Directors.

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

For the determination of details of remuneration for individual Directors for the fiscal year under review, in accordance with the pre-amendment policy, it was resolved at the meeting of the Board of Directors held on June 29, 2022 to delegate the determination to President Eijiro Ota (responsible for the Audit Division and Sales Division). The authority pertains to determination of the amount of basic compensation for each Director and evaluation of the performance-linked portion of each Director. Such authority was delegated to him because he is the most suitable person to evaluate each Director from a broad perspective, considering the Company's overall financial performance. In order to ensure that the authority is appropriately exercised, the Board of Directors consults the Officer Appointment and Remuneration Advisory Committee about the proposal and the President determines the individual amounts of remuneration based on the recommendations of the Committee.

## 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	3/3	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 has been serving as the chairperson of the Officer Appointment and Remuneration Advisory Committee since June 2022, 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	3/3	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, 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	3/3	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	11/11 following assumption of office	2/2 following assumption of office	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 since June 2022, he 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.

### (3) Outside Statutory Auditors

Name	Attendance at Board of Directors Meetings	Attendance at Board of Statutory Auditors Meetings	Principal activities
Akiyuki Igarashi	15/15	16/16	Utilizing his wealth of experience as an executive mainly in the wholesale industry and in-depth knowledge of finance and accounting, Mr. Igarashi stated necessary and useful opinions for deliberation on proposals from a broad perspective that extends beyond the Company's industry.
Koichi Sakaguchi	15/15	16/16	Utilizing his high level of expertise and experience mainly as a judge and attorney, Mr. Sakaguchi stated necessary and useful opinions for deliberation on proposals.
Hiroshi Iwamoto	14/15	16/16	Utilizing his experience in financial operations accumulated mainly in the financial industry, followed by a wealth of management experience in the information and communication industry, Mr. Iwamoto stated necessary and useful opinions for deliberation on proposals from a broad perspective that extends beyond the Company's industry.

## **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, 2023)

